Table of Contents:

Part I: PROJECT IDENTIFICATION AND GENERAL INFORMATION

Page

1. Facility.....3
2. Name of Owner LLC.....3
3. Applicant.....3
4. Name of Licensee or Proposed Licensee.....3
5. Legal Structure of Applicant.....4
6. Person(s) to whom questions regarding this application should be directed.....4
   A. Lead contact
   B. Additional or alternate contact
7. Type of Project.....5
8. Project Description.....5
   a. Executive summary of the Project.....5
   b. Comprehensive Project Description.....8
9. Current Capacity and Proposed Changes.....10
10. Community Based Services that will affect project.....10
11. Required Approvals and Site Control.....10
12. Project Schedule: For new construction or renovation projects.....11
13. Project Drawings.....12
   a. Floor Plans
   b. Plot Plan
   c. Dimensions and square footage of patient rooms.....13
14. Features of Project Construction.....13

Part II: PROJECT BUDGET

1. Table E of the Hospital CON Application Package.....14a
2. Explanation of budget amount adequacy.....15

Part III: APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE.....16

Part IV: CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR 10.24.01.08G(3):

A. 10.24.01.08G(3)(a) The State Health Plan:

a. General Standards

1. Standard .05(A)(1): Information Regarding Charges.....18
2. Standard .05(A)(2): Information Regarding Procedure Volume.....20
3. Standard .05(A)(3): Charity Care Policy.....20
4. Standard .05(A)(4): Quality of Care.....5
5. Standard .05(A)(5): Transfer Agreements.....27

B.10.24.01.08G(3)(b) The State Health Plan:

b. Project Review Standards

1. Standard .05(B)(1): Service Area.....2
2. Standard .05(B)(2): Need-Minimum Utilization for Establishment of a New or Replacement Facility.....28
3. Standard .05(B)(3): Need-Minimum Utilization for Expansion of an Existing Facility.....29
4. Standard .05(B)(4): Design Requirements.....32
5. Standard .05(B)(5): Support Services.....32
6. Standard .05(B)(6): Patient Safety.....33
7. Standard .05(B)(7): Construction Costs.....33
8. Standard .05(B)(8): Financial Feasibility.....36
9. Standard .05(B)(9): Impact.....36
10. Standard .05(B)(10): Preference in Comparative Reviews.....37
11. Need.....38
    a. Table 1: Statistical Projections-Entire Facility.....40
    b. Table 2: Statistical Projections-Proposed Project.....41
    c. Table L: Workforce Information.....41a

C. 10.24.01.08G(3)(c) : Availability of More Cost-Effective Alternatives

1. Availability of More Cost Effective Alternatives.....41

D. 10.24.01.08G(3)(d): Viability of the Proposal

1. Viability of the Proposal.....45

a. Table 3 Revenues and Expenses Entire Facility.....46
b. Table 4 Revenues and Expenses Proposed Project.....49
c. Table L.....49a

E. 10.24.01.08G(3)(e): Compliance with Conditions of Previous Certificates of Need

1. Compliance with Conditions of Previous Certificates of Need.....51

F. 10.24.01G(3)(f): Impact on Existing Providers and the Health Care Delivery System.

1. Impact on Existing Providers and the Health Care Delivery System.....52

ATTACHMENTS:

ATTACHMENT A: OWNERSHIP

ATTACHMENT B: BASIS OF DESIGN

ATTACHMENT C 1-6: FLOOR PLANS

1. EXISTING FLOOR PLAN
2. EXISTING SITE PLAN
3. EXPANSION SPACE PLAN
4. SCHEMATIC PLAN H
5. SITE CONCEPT A6
6. SCHEMATIC H

ATTACHMENT D1: Table C Construction Characteristics

ATTACHMENT D2: Table D: Onsite and Offsite Cost Included and Excluded in Marshall Valuation Costs

ATTACHMENT E: APPROVED PROCEDURE LIST

ATTACHMENT F: PROCEDURE LIST WITH CPT CODES

ATTACHMENT G: CHARGE MASTER BY SPECIALTY CODE

ATTACHMENT H: 2020 PHYSICIAN CASE COUNT TRENDING LOG BY SPECIALTY

ATTACHMENT I: CHARITY CARE POLICY

ATTACHMENT La AND b: PUBLIC NOTICE REGAERDING CHARITY CARE PROGRAM ENGLISH AND SPANISH

ATTACHMENT K: PUBLIC NOTICE OF CHARITY CARE PUBLISHED IN FREDERICK NEWS POST

ATTACHMENT M 1-3: CONFIRMATION OF PUBLISHING IN FREDERICK NEWS POST FOR 2021

ATTACHMENT N a-b: PSCF WEBSITE NOTIFICATION OF CHARITY CARE

ATTACHMENT N c: SIMPLE ADMIT PATIENT SCREENING AND PAYMENT PLATFORM NOTIFICATION OF CHARITY CARE POLICY

ATTACHMENT O: LETTER TO COMMUNITY SERVICES NOTIFICATION/REMINDER OF CHARITY CARE POLICY

ATTACHMENT P: PSCF PATIENT BROCHURE WITH NOTIFICATION OF CHARITY CARE POLICY

ATTACHMENT Q: CORRESPONDENCE WITH FREDERICK COUNTY HEALTH DEPARTMENT AND CONTACTS FOR NOTIFICATION AND REMINDER LETTERS

ATTACHMENT R: PSCF EXAMPLE BUSINESS OFFICE ASSISTANCE TO PATIENT: POTENTIAL NEED

ATTACHMENT S: CHARITY CARE BENCHMARK FOR PERFORMANCE ASSESSMENT

ATTACHMENT T: SATED OF MARYLAND DEPARTMENT OHCQ LICENSE

ATTACHMENT U: AAAHC ACCREDITATION LETTER

ATTACHMENT Va: NOTICE OF COMPLIANCE WITH HEALTH COMPONENT REQUIREMENTS

ATTACHMENT Vb: ACCEPTABLE LIFE SAFETY CODE PLAN OF CORRECTION

ATTACHMENT W: TRANSFER AGREEMENT

ATTACHMENT X: EMERGENCY TRANSFER POLICY

ATTACHMENT Y: SERVICE AREA SUPPORTING DOCUMENTS

ATTACHMENT Z: MEDARCH DESIGN PROJECT LETTER 2035.01 SEALED

ATTACHMENT A-1: MARYLAND DEPARTMENT OF ENVIRONMENT RADIATION REGISTRATION

ATTACHMENT B-1: CLIA CERTIFICATE OF WAIVER

ATTACHMENT C-1a: CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE

ATTACHMENT C-1b: CONTROLLED DANGEROUS SUBSTANCES DISPENSE LICENSE

ATTACHMENT E-1: FREDERICK COUNTY BANK LETTERS REGARING LOANS FOR PSCF

ATTACHMENT E-1b: FREDERICK COUNTY BANK FINANCING PROPOSAL FOR LANDLORD

ATTACHMENT F-1: LEASE AGREEMENT EXERPT TO DEMONSTRATE PRICE PER SQUARE FOOT

ATTACHMENT G-1: CONSTRUCTION CHARACTERISTICS

ATTACHMENT H-1: FREDERICK OFFICE RENT PRICES AND SALES REPORT FOR 2020

ATTACHMENT H-1a: PSCF 2019 TAX RETURNS

ATTACHMENT H-1b: PSCF 2020 TAX RETURNS

ATTACHMENT I-1a: PSCF PROFIT AND LOSS STATEMENT 2019

ATTACHMENT I-1b: PSCF PROFIT AND LOSS STATEMENT 2020

ATTACHMENT J-1: COST SHARING AGREEMENT

ATTACHMENT K-1a: Landlord: ANDOCHICK PROPERTIES 2019 PARTNERSHIP TAX RETURNS

ATTACHMENT K-1b: Landlord: ANDOCHICK PROPERTIES 2020 PARTNERSHIP TAX RETURNS

ATTACHMENT L-1: CERTIFICATE OF NEED LETTER JUNE 17, 2010: DOCKET No. 09-10-2302

STATE OF MARYLAND

Craig P. Tanio, M.D.
CHAIR

Ben Steffen
EXECUTIVE DIRECTOR

For internal staff use:

MARYLAND HEALTH CARE COMMISSION

_____
MATTER/DOCKET NO.

_____
DATE DOCKETED

INSTRUCTIONS: GENERIC APPLICATION FOR CERTIFICATE OF NEED (CON)

Note: Specific CON application forms exist for hospital, comprehensive care facility, home health, and hospice projects. This form is to be used for any other services requiring a CON.
(ADAPTED FOR AMBULATORY SURGERY APPLICANTS)

ALL APPLICATIONS MUST FOLLOW THE FORMATTING REQUIREMENTS DESCRIBED IMMEDIATELY BELOW. NOT FOLLOWING THESE FORMATTING INSTRUCTIONS WILL RESULT IN THE APPLICATION BEING RETURNED.

Required Format:

Table of Contents. The application must include a Table of Contents referencing the location of application materials. Each section in the hard copy submission should be separated with tabbed dividers. Any exhibits, attachments, etc. should be similarly tabbed, and pages within each should be numbered independently and consecutively. **The Table of Contents must include:**

- **Responses to PARTS I, II, III, and IV of the this application form**
- **Responses to PART IV must include responses to the standards in the State Health Plan chapter that apply to the project being proposed..**
  - All Applicants must respond to the Review Criteria listed at 10.24.01.08G(3)(b) through 10.24.01.08G(3)(f) as detailed in the application form.
- **Identification of each Attachment, Exhibit, or Supplement**

Application pages must be consecutively numbered at the bottom of each page. Exhibits attached to subsequent correspondence during the completeness review process shall use a consecutive numbering scheme, continuing the sequencing from the original application. (For example, if the last exhibit in the application is Exhibit 5, any exhibits used in subsequent

responses should begin with Exhibit 6. However, a replacement exhibit that merely replaces an exhibit to the application should have the same number as the exhibit it is replacing, noted as a replacement.

SUBMISSION FORMATS:

We require submission of application materials and the applicant's responses to completeness questions in three forms: hard copy; searchable PDF; and in Microsoft Word.

- **Hard copy:** Applicants must submit six (6) hard copies of the application to:
  Ruby Potter
  Health Facilities Coordinator
  Maryland Health Care Commission
  4160 Patterson Avenue
  Baltimore, Maryland 21215

- **PDF:** Applicants must also submit *searchable* PDF files of the application, supplements, attachments, and exhibits.[1] All subsequent correspondence should also be submitted both by paper copy and as *searchable PDFs*.

- **Microsoft Word:** Responses to the questions in the application and the applicant's responses to completeness questions should also be electronically submitted in Word. Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

PDFs and spreadsheets should be submitted to ruby.potter@maryland.gov and kevin.mcdonald@maryland.gov.

Note that there are certain actions that may be taken regarding either a health care facility or an entity that does not meet the definition of a health care facility where CON review and approval are not required. Most such instances are found in the Commission's procedural regulations at COMAR 10.24.01.03, .04, and .05. Instances listed in those regulations require the submission of specified information to the Commission and may require approval by the full Commission. Contact CON staff at (410) 764-3276 for more information.

A pre-application conference will be scheduled by Commission Staff to cover this and other topics. Applicants are encouraged to contact Staff with any questions regarding an application.

[1] PDFs may be created by saving the original document directly to PDF on a computer or by using advanced scanning technology

Table of Contents:

Part I: PROJECT IDENTIFICATION AND GENERAL INFORMATION

Page

1. Facility.....3
2. Name of Owner LLC.....3
3. Applicant.....3
4. Name of Licensee or Proposed Licensee.....3
5. Legal Structure of Applicant.....4
6. Person(s) to whom questions regarding this application should be directed.....4
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   a. Executive summary of the Project.....5
   b. Comprehensive Project Description.....8
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11. Required Approvals and Site Control.....10
12. Project Schedule: For new construction or renovation projects.....11
13. Project Drawings.....12
   a. Floor Plans
   b. Plot Plan
   c. Dimensions and square footage of patient rooms.....13
14. Features of Project Construction.....13

PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. FACILITY

Name of Facility: Andochick Surgical Center LLC.; dba Physicians Surgery Center of Frederick

Address:

Street	City	Zip	
81 Thomas Johnson Court, Suite B	Frederick	21702	Frederick

2. Name of Owner LLC.

If Owner is a Corporation, Partnership, or Limited Liability Company, attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the applicant and any related parent entities. Attach a chart that completely delineates this ownership structure.

See attachment A.

3. APPLICANT. *If the application has a co-applicant, provide the following information in an attachment.*

Legal Name of Project Applicant (Licensee or Proposed Licensee): _____

NA_____

Address:

Street	City	Zip	State	County
Telephone:				

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from the applicant:

_____

5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).

Check ☑ or fill in applicable information below and attach an organizational chart showing the owners of applicant (and licensee, if different).

A. Governmental ☐

B. Corporation

(1) Non-profit ☐

(2) For-profit ☐

(3) Close ☐ State & Date of Incorporation

C. Partnership

General ☐

Limited ☐

Limited Liability Partnership ☒

Limited Liability Limited Partnership ☐

Other (Specify): _____

D. Limited Liability Company ☐

E. Other (Specify): _____

To be formed: ☐

Existing: ☐

6. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED

Shannon Magro, RN Administrator or Scott E. Andochick, MD

A. Lead or primary contact:

Name and Title: Shannon Magro

Company Name Physicians Surgery Center of Frederick

Mailing Address:

81 Thomas Johnson Court, Suite B	**Frederick**	**21702**	**MD**
Street	City	Zip	State

Telephone: 240-215-3070

E-mail Address (required): Shannon.magro@physicianssurgerycenter.net

Fax: 240-215-3071

If company name is different than applicant briefly describe the relationship Dba of Andochick Surgical Center LLC.

B. Additional or alternate contact:

Name and Title: Scott E. Andochick, MD 301-620-4200

Company Name Andochick Surgical Center LLC
Mailing Address:

81 Thomas Johnson Court, Ste. A **Frederick** **21702** **MD**
Street City Zip State

Telephone: 301-620-4200
E-mail Address (required): seandochick@hotmail.com

Fax:

If company name is different than applicant briefly describe the relationship

7. TYPE OF PROJECT

The following list includes all project categories that require a CON pursuant to COMAR 10.24.01.02(A). Please mark all that apply in the list below.

If approved, this CON would result in (check as many as apply):

(1) A new health care facility built, developed, or established ☐
(2) An existing health care facility moved to another site ☐
(3) A change in the bed capacity of a health care facility ☒
(4) A change in the type or scope of any health care service offered by a health care facility ☐
(5) A health care facility making a capital expenditure that exceeds the current threshold for capital expenditures found at: http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_capital_threshold_20140301.pdf ☐

8. PROJECT DESCRIPTION

A. Executive Summary of the Project: The purpose of this BRIEF executive summary is to convey to the reader a holistic understanding of the proposed project: what it is, why you need to do it, and what it will cost. A one-page response will suffice. Please include:

(1) Brief Description of the project – what the applicant proposes to do
(2) Rationale for the project – the need and/or business case for the proposed project
(3) Cost – the total cost of implementing the proposed project

1. Description:

PSCF respectfully submits request to add two class "C" operating rooms and one class "A" procedure room to result in four operating rooms and two procedure rooms upon completion of project. The current building structure will be added on to by the property owner of the property, on an existing lot to add 11,222 additional square feet in a single story structure. It will enable PSCF the opportunity for the internal incorporation of two operating rooms and one procedure room with enlarged ample pre-op and recovery space, a large capacity waiting area (to enhance patient/visitor comfort), adequate separation in the waiting area, and expansion of clean/sterile storage space. The changes will be added without interruption to the main existing facility currently leased, during construction. Upon completion, after approval of use for the addition of 11,222 sf, the existing 6300sf site will be renovated and improved to provide a more spacious state of the art operating suites business office space, consulting rooms and storage, which is in limited supply at this time. This will enable improved separation of individual spaces in a modern state of the art, safe environment for all who enter. Patient safety being the primary goal. Upon completion, the addition will accommodate increased patient load, corresponding supplies, equipment processing and staff in one 17,522 ft facility.

2. Rationale:

PSCF is a 6300 square foot multispecialty ambulatory surgery center that is experiencing substantial growth that continued prior to and throughout the COVID 19 Pandemic. While PSCF experienced a slight dip in the cases in 2020 due to COVID closure, and the need to close for two weeks to have the HVAC system upgraded and replaced, demand for services at our facility remained extraordinarily strong. As volume of cases increase, the space has become increasingly deficient in supporting future growth, meeting surgeon's surgical needs, in addition to housing essential staff, equipment and supplies. The facility has adapted by leasing space for secure storage and housing the business office staff and patient screening staff off site in an adjacent office enabling for efficient surgical flow and patient safety. This is not ideal and has the potential to disrupt efficiency of operations, at times inconvenient and increases leasing costs. The OR time is consistently occupied and often runs late into the evening to safely accommodate patient and physician's needs. PSCF is nearing the need to work weekends, which is not preferred. In 2021, PSCF has added two new orthopedic surgeons and another three additional orthopedic surgeons have requested to join our team as we develop a high quality Total Joint Program with the option of utilizing robotics-assisted devices for procedures. Ophthalmology will also add an additional high volume provider in 2022 as recruiting process is underway by the current Ophthalmologist credentialed at the facility. The current space will accommodate this increased demand initially by working late days and weekends to provide safe, quality efficient care and placing appropriate cases in the Procedure Room, which is most often used for equipment storage when not in use due to increasing space constraints. It is preferred that the facility meets all patient needs M-F from 0630-1700 to enhance patient satisfaction, convenience, improved recovery experience and positive outcomes PSCF prides itself in consistently achieving. PSCF is on track to experience a 15% increase in caseload for the year of 2021 due to increased volume (and three of the new surgeons have not yet started) and community growth. PSCF is keenly aware of the need for increased operating room and physical space to safely accommodate increasing demand, and support a state of the art High Quality Joint Replacement Program. This is in addition to its current case mix to meet the patient, family, surgeons and staff needs in a

more spacious, state of the art facility. The current space is aging and highly utilized. This will enable the organization to better provide updates, spacing, privacy, improved waiting, consultation, sterile processing, and recovery space to accommodate the case load of a four OR's and two procedure room facility. It will also be necessary to increase the sf of the Operating rooms to accommodate all total Joint procedures in multiple rooms by different surgeons on a daily basis. All of which will be supported with HVAC, Life Safety, Generator, Electrical and other utility upgrades.

The expansion will enable the utilization of Robotic assisted joint replacements to enhance quality and positive patient and physician outcomes. Without this additional space and operating room capacity, PSCF will not be able to meet the community demand, as it desires to do so, contain patients and families, staff, surgeons Reps, business office team and other essential providers in the current facility. The purpose of this request to expand and provide the highest quality of surgical experience for all in one setting with efficiency by updating and enlarging the physical capacity and flow of the organization to accommodate rapidly increasing demand, place all employees in one location and provide excellent care M-F under normal operating hours of 0630am-5:00pm.
The Landlord, separate and apart from Physicians Surgery Center of Frederick plans to build a shell of additional space for lease. PSCF believes it is a good opportunity to lease the space, and add/build two operating rooms and one additional procedure room to the facility as growth continues and the need for space becomes more in demand. It will eliminate the need to lease space elsewhere and build four operating rooms/two procedure rooms, the expense to make a major physical move in a similar location within Frederick. The space, is sufficient to build the proposed project without moving, and will only need to build two operating rooms, one procedure room and renovate the current space. This will keep the costs down, minimize disruption, eliminate the need to relocate yet offer an opportunity to support growth and provide sufficient space for all staff in one facility. All of this can be accomplished and the lease adjusted per additional square feet. We feel is our obligation to the community we serve to expand and to meet their surgical needs and improve access in the safest and most cost efficient manner. It is PSCF's hope the MHCC will agree this is the most practical approach to expansion in the near future if approved.

To add additional operating room capacity to satisfy the increased demand for surgical needs of the community, to grow as it grows, and meet the needs of the surgeons performing surgical procedures at PSCF the organization continues to commit to provide increasing service to the underserved in a high quality of the art facility. This project will minimize cases being turned away for reasons of space restrictions OR capacity and the patient's ability to pay.

In summary PSCF requests to build into a space and add two Class "C" operating rooms to the rear end of the restricted sterile corridor that will be constructed by the landlord in the near future and have the opportunity to lease and additional 11,222 square footage to the back of the facility on existing lot as described above. PSCF goal in building within this space is, but not limited to:

- accommodate significant case volume increase due to ongoing outflow of cases from the hospital setting
- accommodate the rapid population growth in Frederick Community (18.2% in the past ten years with a projected growth of 15.4 percent in the next twenty)
- promote ease in surgical scheduling within the normal operating hours of the facility
- reduce the need to turn cases away (as is currently the case) due to lack of OR time
- support increasing surgeon population at the facility as addressed above, and corresponding case loads
- support anesthesia services

- provide ample space for privacy, distancing regardless of the pandemic in waiting room and all areas throughout the facility
- accommodate space needs for increasing sterile processing demand
- Provide ample space for ordering and safe in house storage of equipment, supplies and disposables required for increased case volume
- Provide space and necessary accommodations for increased staffing, company representatives, anesthesia services
- Provide the ability to add services as needed to the organization as approved to the community
- Provide additional space available to the state disaster plan should the need arise in the future
- Eliminate the need to lease space for the business office team, support increase in business office support staff, clinical staff, physicians and family of patients comfortably in one facility
- Provide space for education and training, community services and support the underserved.
- Provide ample patient counseling space for Business Office as needed for privacy, financial assistance and/or payment planning, insurance counseling, document reviews etc. regardless of the ability to pay.

3. Total Financial Responsibility Cost to PSCF for implementation of the project: $2,217,000.00 and monthly lease agreement.

The total anticipated project cost is as follows and basis of design: see attachment B

B. Comprehensive Project Description: The description should include details regarding:

(1) Construction, renovation, and demolition plans: see attachment B Basis of Design

(2) Changes in square footage of departments and units:

See attachment C 1-6. floor plans for current and future building.

(3) Physical plant or location changes:

Physical Changes exhibited in attached floor plans. Location will remain at 81 Thomas Johnson Court. Expansion by the property owner is on property/adjacent lot owned by property owner, resulting in significant cost savings. Purchase of land and relocation is not necessary.

(4) Changes to affected services following completion of the project:

Changes to affected services will result in the enhancement of Orthopedic services in an efficient schedule to promote early recovery for total joint replacement, the ability to provide enhanced recovery time and 23 hour

care if indicated, and the utilization of the space for Robotic assisted procedures. All surgical services will be enabled to be performed within the hours of 0630-1700, M-F.

(5) Outline the project schedule. Also See Part I, sect 12

Outline:

1. Renovation to push out the back of the building to add two additional Operating room in the sterile corridor. The corridor will be extended to provide access to the OR. The recovery room and Pre-Operative area will each gain an additional space to preoperative and postoperative care all on one story structure.

2. Changes is square footage: Current 6300 sf
   Proposed addition: 11,222 sf
   Total upon completion 17,522 sf

   2 Operating Rooms Class "C" sf each
   1 Class "A" Procedure Room
   PreOp addition of 100+ square feet
   Recovery room addition of 100+ square feet
   Increase sterilization area by 100+ feet
   Increase capacity of emergency and patient call system

3. Services affected will be unchanged. Volume of the same services will increase. Addition of three orthopedic surgeons in 2021

4. Project schedule: Upon approval, work will commence within 30 days and expected time of completion within 9-11 months.

   Site accreditation and licensing will add approximately 2 months and first patient seen in new space within 25 months from commencement of design.

   a. Architectural and engineering design review and approval. See attached
   b. Permits
   c. Begin build out and ILSM
   d. Structure 10-12 months
   e. Medical gas, vacuum, electric and internal finishes 3 months
   f. Inspections
   g. State approval survey and fire Marshall inspection
   h. Receipt of Occupancy Permit
   i. State approval to begin surgical procedures for OR#3, OR#4 and procedure room
   j. Furnish and begin use for surgical procedures
   k. Accreditation of space

9. Current Capacity and Proposed Changes:

Unit Description	Currently Licensed/ Certified	Units to be Added or Reduced	Total Units if Project is Approved
Operating Rooms	2	2	4
Procedure Rooms	1	1	2

10. Identify any community based services that are or will be offered at the facility and explain how each one will be affected by the project.

a. Charity care: Charity care provided to the community will remain in place and the facility is committed to meeting or exceeding industry averages. Availability of Charity care is communicated throughout the community via newspaper, provider education, web site, facility publications and correspondence with community service centers and the FCHD. Charity care is provided as needs arise and offered to patients as indicated based upon need.

b. PSCF is currently enrolled and participates with Maryland Medicaid.

Medicaid number: 420883800

c. Total Joint Program: Significant growth of program for community access is anticipated and is currently in progress. Growth of the program will be enhanced because of approval of application for two additional OR CON.

11. REQUIRED APPROVALS AND SITE CONTROL

A. Site size: ___1___ acres

B. Have all necessary State and local land use and environmental approvals, including zoning and site plan, for the project as proposed been obtained? YES_____ NO ___X__ (If NO, describe below the status and timetable for receiving each of the necessary approvals.)

Approvals in progress

C. Form of Site Control (Respond to the one that applies. If more than one, explain.):

(1) Owned by: Scott E. Andochick, DDS MD

(2) Options to purchase held by: _____
Please provide a copy of the purchase option as an attachment.

(3) Land Lease held by: _____
Please provide a copy of the land lease as an attachment.

(4) Option to lease held by: Andochick Properties LLC
Please provide a copy of the option to lease as an attachment.

(5) Other: _____
Explain and provide legal documents as an attachment.

12. PROJECT SCHEDULE
(INSTRUCTION: IN COMPLETING THE APPLICABLE OF ITEMS 10, 11 or 12, PLEASE CONSULT THE PERFORMANCE REQUIREMENT TARGET DATES SET FORTH IN COMMISSION REGULATIONS, COMAR 10.24.01.12)

For new construction or renovation projects.
Project Implementation Target Dates

A. Obligation of Capital Expenditure 6 months from approval date. Assuming approval date of 9/01/2021 and capital expenditure milestone of 6 months is 3/01/2022:

B. Beginning Construction 1 months from capital obligation. Assume construction date commencing on 04/01/2022.

C. Pre-Licensure/First Use 21 months from capital obligation. Assume construction of 11 months and equipment setting and testing of 3 months, which includes staff training and supply set up in the expansion area. Assume 45 days to 3 months for full licensure. Because of equipment, availability and market conditions for construction consider a contingency schedule of 3 months.
   1. Pre-Licensure Expansion may be ready by 3/01/2023 and equipment Training by 6/01/2023.
   2. Licensing Period: 7/15/2023 to 09/01/2023
   3. First patient seen: 9/01/2023 or earlier or market conditions with contingency 12./01/2023.
   4. Existing area renovations would be included in contingency,

D. First Patient Seen, Full Utilization: 2 months from first use 09/01/2023.

For projects not involving construction or renovations.
Project Implementation Target Dates

A. Obligation or expenditure of 51% of Capital Expenditure _____ months from CON approval date.
B. Pre-Licensure/First Use _____ months from capital obligation.
C. Full Utilization _____ months from first use.

For projects not involving capital expenditures.
Project Implementation Target Dates

A. Obligation or expenditure of 51% Project Budget _____ months from CON

approval date.

B. Pre-Licensure/First Use _____ months from CON approval.

C. Full Utilization _____ months from first use.

13. PROJECT DRAWINGS

Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at least a 1/16" scale. Drawings should be completely legible and include dates.

These drawings should include the following before (existing) and after (proposed), as applicable: See attached Plans attachment C 1-6. (Large hard copies submitted with application)

A. Floor plans for each floor affected with all rooms labeled by purpose or function, number of beds, location of bathrooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as "shell space".

B. For projects involving new construction and/or site, work a Plot Plan, showing the "footprint" and location of the facility before and after the project.

C. Specify dimensions and square footage of patient rooms.

14. FEATURES OF PROJECT CONSTRUCTION

A. If the project involves new construction or renovation, complete **Tables C and D of the Hospital CON Application Package : See attachment E: Tables C and D**

CONSTRUCTION CHARACTERISTICS

Description:

The following construction features and specifications characterize the expansion of the Physicians Surgery Center of Frederick:

Class of Construction: The expansion and renovation of the existing center is classified as a Class "D" construction. This single-story building is comprised of concrete slab on grade with wood framed wall and roof structure with masonry cladding on the exterior perimeter. All construction is one hour rated partitions and ceilings.

Type of Construction: The type of construction based upon structure, finishes, the operating MEP systems, emergency power and integrated medical gas systems places this facility in the Good category.

Number of Stories: 1

Project Space shall be 11,222 square feet of new construction and 1,065 of renovated space in the existing facility. All this square footage is on the first floor. Total area of expansion and existing building is 11,222 plus 8,500 for a total of

19,722 square feet.

Perimeter in Lineal Feet: The expansion project has 443.5 lineal feet, and the existing facility has 309.75 lineal feet for a total of 753.25 lineal feet.

Wall Height: is 10 feet on the expansion project and existing building.

Elevators: None as building is single story and access is on grade

Sprinklers and Fire Suppression. The facility at grade is not required to be protected by an NFPA Type 13 System per the NFPA 101 Life Safety Code and the IBC 2018 Building Code. The facility is equipped with type ABC Fire Extinguishers at appropriate locations.

Other Characteristics:

Continuous Power is supplied by an onsite generator and switchgear. Generator operation and testing is monitored at the nurse's station and serviced by Fidelity Engineering Monthly and as needed in compliance with Life Safety Codes and Medicare Regulations.

Nurse Call System is installed at all pre-opt/post-opt patient bays and monitored at the Nurse's station.

MED Gases are integrated in the facility and provided at all pre-opt/post-opt patient bays, surgical areas, and procedure rooms. Access to the MED Gas supply is restricted and accessed from the exterior of the building.

Type of HVAC System: The system is zoned with dedicated mechanical equipment serving the surgical areas to achieve the number of air changes per hour, fresh air, and filtering through high and low return supply ducts. Other areas are supplied by separated units through a VAV distribution.

Type of Exterior Walls: Exterior walls are comprised of bearing on a concrete footing with 2 by 6 wood studs at 16 inches on center with plywood sheathing applied to the exterior face covered by a moisture and air barrier with brick veneer anchored to the framing with a one-inch air space. Sub cavities are filled with glass fiber insulation with a value of R-25 or greater. One layer of type "X" 5/8 gypsum wallboard is applied and finished on the interior face and the underside of trusses. Truss cavities and attic is insulated with R-40 mineral wool. Attic contains draft stops as required.

B. Discuss the availability and adequacy of utilities (water, electricity, sewage, natural gas, etc.) for the proposed project and identify the provider of each utility. Specify the steps that will be necessary to obtain utilities.

All currently on site and expansion permits will be acquired prior to commencement of construction:

Water: City of Frederick Maryland
Electricity: Potomac Edison
Sewage: City of Frederick Maryland
Natural gas: Washington Gas

Part II: PROJECT BUDGET

1. Table E of the Hospital CON Application Package.....14a
2. Explanation of budget amount adequacy.....15

PART II - PROJECT BUDGET

Complete Table E of the Hospital CON Application Package

Note: Applicant should include a list of all assumptions and specify what is included in each budget line, as well as the source of cost estimates and the manner in which all cost estimates are derived. Explain how the budgeted amount for contingencies was determined and why the amount budgeted is adequate for the project given the nature of the project and the current stage of design (i.e., schematic, working drawings, etc.).

Explanation of Budget:

Capital Cost Estimations:

a. New Construction

1. Building (shell and interior build-out) 11,222sf @ $320/sf	$3,591,101
2. Fixe equipment:	$50,000.00
3. Sit and Infrastructure Improvements	$220,00.00
4. Architect and Engineering Fees:	$284,500.00
5. Permits:	$45,000.00
Subtotal	**$4,190,601.00**

b. Renovation:

6. Building (Shell and Interior build-out) 1065sf @ $120/sf	$147,800.00
7. Architect and Engineering Fees:	$35,000.00
8. Permits:	$5,000.00
Subtotal	**$167,800.00**

Recommended a contingency of 12% on the CON

The breakout of shell to Interior is summarized below:

11,222 new square feet and 1065sf renovated area is 12,287 sf.

Shell Building:

Construction with site improvements:	$1,892,401.00
Soft costs: design and permitting	$199,000.00
Site Engineering	$(45,000.00 included above)
Subtotal	**$2,091,401.00**

	$187.00/sf
Interior Build-out with Generator and HVAC:	$1,907,000.00
Renovation	$130,000.00
Soft costs: Design and permitting	$180,000.00
Subtotal (PSCF Liability)	**$2,217,000.00**
	$180.50/sf
Total	**$4,358,401.00**
Fixed Equipment (Allowance)	$50,000.00
Total Project:	**$4,358,401.00**
Land	**$375,000.00**
Moveable Equipment	**$300,000.00**
Recommended Contingency	**$200,000.00**
	$875,000.00
Total Project Capital	**$5.233, 401.00**

See attachment J-1 for requested "Cost Sharing Agreement"

TABLE E. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g) and Working Capital Startup costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application.

NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.d as a use of funds and on line B.8 as a source of funds.

	Building:Landlord liability@187.00/sf	Budget for PSCF liability for internal build and renovation: 12287sf@ $180.50/sf	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building	$1,684,401	$1,907,000	$3,591,401
(2) Fixed Equipment	$0	$50,000	$50,000
(3) Site and Infrastructure	$220,000	$0	$220,000
(4) Architect/Engineering Fees	$154,000	$130,500	$284,500
(5) Permits (Building, Utilities, Etc.)	$21,000	$24,000	$45,000
SUBTOTAL	**$2,079,401**	**$2,111,500**	**$4,190,901**
b. Renovations			
(1) Building	$0	$127,800	$127,800
(2) Fixed Equipment (not included in construction)	$0	$0	$0
(3) Architect/Engineering Fees	$0	$35,000	$35,000
(4) Permits (Building, Utilities, Etc.)	$0	$5,000	$5,000
SUBTOTAL	**$0**	**$167,800**	**$167,800**
c. Other Capital Costs			
(1) Movable Equipment	$0	$300,000	$300,000
(2) Contingency Allowance	$95,000	$105,000	$200,000
(3) Gross interest during construction period			$0
(4) Other *(Specify/add rows if needed)*			$0
SUBTOTAL	***$95,000***	***$405,000***	**$500,000**
TOTAL CURRENT CAPITAL COSTS	**$2,174,401**	**$2,684,300**	**$4,858,701**
d. *Land Purchase*	**$375,000**		**$375,000**
e. Inflation Allowance			$0
TOTAL CAPITAL COSTS	**$2,549,401**	**$2,684,300**	**$5,233,701**
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees			$0
b. Bond Discount			$0
c CON Application Assistance			
c1. Legal Fees			$0
c2. Other (Specify/add rows if needed)			
d. Non-CON Consulting Fees			
d1. Legal Fees			$0
d2. Other (Specify/add rows if needed)			$0
e. Debt Service Reserve Fund			$0
f Other *(Specify/add rows if needed)*			$0
SUBTOTAL	***$0***	***$0***	**$0**
3. Working Capital Startup Costs			$0
TOTAL USES OF FUNDS	***$2,549,401***	***$2,684,300***	***$5,233,701***
B. Sources of Funds			
1. Cash (PSCF-500,000/SEA 500,000)	**$500,000**	**$500,000**	$1,000,000
2. Philanthropy (to date and expected)			$0
3. Authorized Bonds			$0
4. Interest Income from bond proceeds listed in #3			$0
5. Mortgage			$0
6. Working Capital Loans (two notes up to 2.2M each over 20years at 4°	**$2,200,000**	**$2,200,000**	$4,400,000
7. Grants or Appropriations			
a. Federal			$0
b. State			$0
c. Local			$0
8. Other *(Specify/add rows if needed)*			$0
Owner Contribution of Land $375,000	**$375,000**		
TOTAL SOURCES OF FUNDS	***$3,075,000***	***$2,700,000***	***$5,775,000***
Annual Lease Costs (if applicable)	***Hospital Building***	***Other Structure***	***Total***
1. Land			$0
2. Building			$0
3. Major Movable Equipment			$0
4. Minor Movable Equipment			$0
5. Other *(Specify/add rows if needed)Recommended Contingency*			$0

Good Morning Shannon,
I ran a fresh report of the Core Logic Marshall Swift estimator. A copy is attached. Several assumptions to consider are:
The Marshall Swift program is designed for new buildings or existing buildings with small additions. In this case the addition or expansion is 1 ½ the size of the existing.

PSCF ← From the documents that I provided to you on June 30th the cost per square foot was derived at $180.50 for the Interior Build-out and $187.00 for the shell. These are based upon two different square footages; therefore, the shell needs to be adjusted to the larger square footage which is $170 sq/ft (2,091,401/12,287) The combined costs are $350.50 sq/ft. The Marshall Swift evaluation comes in at $354.13 sq/ft.

Total cost before contingency and land is $4,308,401. Marshall Swift values the project at $4,351,318. Add in the Generator and these two estimates are in line.

Let me know if you have comments or questions.

Scott A. Norberg AIA LEED AP
President
MedArch PLLC
23063 Merriweather Court
Ashburn, VA 20148
Direct: 703.999.1074
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CoreLogic - SwiftEstimator
Commercial Estimator - Summary Report

General Information

Estimate ID:	2035.01 Andochick Properties	**Date Created:**	07-08-2021
Property Owner:	Andochick Properties	**Date Updated:**	07-08-2021
Property Address:	81 Thomas Johnson Court Frederick, MD 21702	**Date Calculated:**	07-08-2021
Local Multiplier:	.95	**Cost Data As Of:**	using report date
Architects Fee:	6%	**Report Date:**	07-2021

Section 1

Area	12287	**Overall Depreciation %**	
Stories in Section	1	**Physical Depreciation %**	
Stories in Building	1	**Functional Depreciation %**	
Shape	rectangular	**External Depreciation %**	
Perimeter	(auto-calc)		
Effective Age			

Occupancy Details

Occupancy	**%**	**Class**	**Height**	**Quality**
431 Outpatient Surgical Center	100	D	10	3.5
Occupancy Total Percentage	100			

System : Exterior Walls

	%/Units	**Quality**	**Depr %**	**Other**
882 Exterior Walls : Stud -Brick Veneer	100	Occ.		
Total Percent for Exterior Walls:	**100**			

System : HVAC (Heating)

	%/Units	**Quality**	**Depr %**	**Other**
613 HVAC (Heating) : Hot and Chilled Water	100	Occ.		2
Total Percent for HVAC (Heating):	**100**			

System : Land and Site

	%/Units	**Quality**	**Depr %**	**Other**
62 Land and Site : Site Improvements	220000	Occ.		

Calculation Information (All Sections)

	Units	**Unit Cost**	**Total Cost New**	**Less Depreciation**	**Total Cost Depreciated**
Basic Structure					
Base Cost	12,287	$295.87	$3,635,355		$3,635,355
Exterior Walls	12,287	$28.38	$348,705		$348,705
Heating & Cooling	12,287	$29.89	$367,258		$367,258
Basic Structure Cost	**12,287**	**$354.14**	**$4,351,318**	**$0**	**$4,351,318**
Extras					
Site Improvements - Depreciated			$220,000		$220,000
Replacement Cost New	**12,287**	**$372.05**	**$4,571,318**		

Cost data by CoreLogic, Inc.

Except for items and costs listed under ◆Addition Details,◆ this SwiftEstimator report has been produced utilizing current cost data and is in compliance with the Marshall & Swift Licensed User Certificate. This report authenticates the user as a current Marshall & Swift user.

Part III: APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE.....16

PART III - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE

1. List names and addresses of all owners and individuals responsible for the proposed project and its implementation.

   See attached list

2. Are the applicant, owners, or the responsible persons listed in response to Part 1, questions 2, 3, 4, 7, and 9 above now involved, or have they ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of these facilities, including facility name, address, and dates of involvement.

   Dr. Andochick: Andochick Surgical Center LLC 2000-2021
   Frederick Digestive Health LLC 2016-2019

3. Has the Maryland license or certification of the applicant facility, or any of the facilities listed in response to Question 2, above, been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) in the last 5 years? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant, owners or individuals responsible for implementation of the Project were not involved with the facility at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

   No

4. Other than the licensure or certification actions described in the response to Question 3, above, has any facility with which any applicant is involved, or has any facility with which any applicant has in the past been involved (listed in response to Question 2, above) received inquiries in last from 10 years from any federal or state authority, the Joint Commission, or other regulatory body regarding possible non-compliance with any state, federal, or Joint Commission requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions at the applicant facility or at any facility listed in response to Question 2? If yes, provide for each such instance, copies of any settlement reached, proposed findings or final findings of non-compliance and related documentation including reports of non-compliance, responses of the facility, and any final disposition or conclusions reached by the applicable authority.
   No

any of the health care facilities listed in response to Question 2, above? If yes, provide a written explanation of the circumstances, including as applicable the court, the date(s) of conviction(s), diversionary disposition(s) of any type, or guilty plea(s).

No

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the proposed or existing facility.

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information and belief.

07/06/2021
Date

Signature of Owner or Board-designated Official

CEO/ Medical Director
Position/Title

Scott E. Andochick, MD
Printed Name

Master List: Ownership or Control interest of Physicians Surgery Center of Frederick

Name of individual or entity	Title	DOB	Address	SSN	Percent Ownership
Scott E. Andochick, MD	President, Medical Director	08/07/1958	11532 Lake Potomac Drive, Potomac, MD 20854	212-62-3353	25.65
James Steinberg, DO	Partner, MEC Chair	01/25/1968	14707 Poplar Hill Road, Darnestown, MD 20874	368-62-1086	23.50
Kristin Nesbitt Silon, MD	Partner	03/31/1972	5451 S. Renn Road, Frederick, MD 21703	105-62-7357	23.50
Adam Mecinski, MD	Partner	01/07/1967	5950 River Ridge Road, Frederick, MD 21704	217-56-7687	11.14
Sunil Thadani, MD	Partner	11/25/1973	10018 Woodhill Road, Bethesda, MD 20817	217-19-9792	11.20
Matthew Levine, MD	Partner	05/03/1972	2046 Rockingham Street, McLean, VA 22101	408-13-5385	5.0

Part IV: CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR 10.24.01.08G(3):

A. 10.24.01.08G(3)(a) The State Health Plan:

a. General Standards

1. Standard .05(A)(1): Information Regarding Charges.....18
2. Standard .05(A)(2): Information Regarding Procedure Volume.....20
3. Standard .05(A)(3): Charity Care Policy.....20
4. Standard .05(A)(4): Quality of Care.....5
5. Standard .05(A)(5): Transfer Agreements.....27

PART IV - CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR 10.24.01.08G(3):

INSTRUCTION: Each applicant must respond to all criteria included in COMAR 0.24.01.08G(3), listed below.

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards and other review criteria.

If a particular standard or criteria is covered in the response to a previous standard or criteria, the applicant may cite the specific location of those discussions in order to avoid duplication. When doing so, the applicant should ensure that the previous material directly pertains to the requirement and to the directions included in this application form. Incomplete responses to any requirement will result in an information request from Commission Staff to ensure adequacy of the response, which will prolong the application's review period.

10.24.01.08G(3)(a). The State Health Plan.

Every applicant must address each applicable standard in the chapter of the State Health Plan for Facilities and Services[2]. Commission staff can help guide applicants to the chapter(s) that applies to a particular proposal.

Please provide a direct, concise response explaining the project's consistency with each standard. Some standards require specific documentation (e.g., policies, certifications) which should be included within the application as an exhibit.

SURGERY Standards

A. General Standards.

The following general standards reflect Commission expectations for the delivery of surgical services by all health care facilities in Maryland, as defined in Health-General §19-114(d). Each applicant that seeks a Certificate of Need for a project or an exemption from Certificate of Need review for a project covered by this Chapter shall address and document its compliance with each of the following general standards as part of its application.

1. Standard .05(A) (1) Information Regarding Charges.

Information regarding charges for surgical services shall be available to the public.

(a) A physician outpatient surgery center, ambulatory surgical facility, or a general hospital shall provide to the public, upon inquiry or as required by applicable regulations or law, information concerning charges for the full range of surgical services provided.

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[2] [1] Copies of all applicable State Health Plan chapters are available from the Commission and are available on the Commission's web site here:http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_shp/hcfs_shp

PSCF maintains a master charge list for all procedures in its software HST and is updated periodically and as indicated. PSCF maintains a readily available list of all surgical services provided and is available to the public upon request.

The center provides the public information concerning charges and types of all services provided upon request at any given time. All patients are provided this information prior to their visit regarding charges and insurance specific contracted payment rates.

All patients are provided information regarding estimates of charges and patients responsibility as contracted with their insurance company based upon the procedure they are scheduled for. This is completed prior to the day of service by phone prior to their visit, and electronically via Simple Pay so they are informed of their benefits and their responsibility on day of service. Patients are encouraged to make inquiries as needed and are assisted/educated by the business office staff by phone, email, text, letter or method preferred by patient.

A copy of the PSCF facility Procedure List of Services is provided (attachment E), CPT Procedure Description, (attachment F)
Charges are attached (attachment G).

(b) The Commission shall consider complaints to the Consumer Protection Division in the Office of the Attorney General of Maryland or to the Maryland Insurance Administration when evaluating an applicant's compliance with this standard in addition to evaluating other sources of information.

PSCF respects the patients' rights to file a complaint with this agency and welcomes their input in assisting the organization to maintain compliance at all times and take corrective measures whenever indicated. PSCF utilizes all information to improve processes and quality on a continual basis. Patient satisfaction is monitored and utilized to implement quality improvement activities as an integral component of business operations and Performance Improvement program at the organization.

(c) Making this information available shall be a condition of any CON issued by the Commission.

PSCF provides and educates its patient's as it applies to financial information regarding charges and patient responsibility in addition to types of services provided at the facility upon request. Patients are consistently provided verbal and written information regarding charges and financial responsibility for the proposed procedures they will be undergoing in advance of their visit to the facility so they are aware of their responsibility and the amount the insurance company will reimburse on their behalf as contracted with the facility. Patients are offered the opportunity for questions and answers or assistance as needed so they are informed prior to their visit. They are educated on the difference between facility charges and the organizations agreement to accept contracted payment amounts from their insurance company. They are offered additional assistance as indicated and customized to their financial status and need as described in the facility Charity Care Policy.

Fees are provided upon request and patients are informed PSCF accepts contracted payment with the various insurance companies and the insured person's responsibility based upon their insurance provider's directive. Communication with patient and insurance carriers is interactive and ongoing.

2. Standard .05(A) (2) Information Regarding Procedure Volume.

A hospital, physician outpatient surgery center, or ASF shall provide to the public upon inquiry information concerning the volume of specific surgical procedures performed at the location where an individual has inquired. A hospital, POSC, or ASF shall provide the requested information on surgical procedure volume for the most recent 12 months available, updated at least annually.

Information regarding case/procedure volume and specialty mix for the most recent 12 months is provided to public upon request. This information is stored in Health Systems Technology program and readily available and updated on a regular basis. This information is also provided to MHCC in its annual reporting program and to other regulatory bodies as needed. See attached list of procedures for the past 12 months.

Attachment F: (Report CT 6003))
Attachment H: Case volume for 2020 HST report ST 8000)

3. Standard .05(A) (3) Charity Care Policy. (See Attachment I):

(a) Each hospital and ambulatory surgical facility shall have a written policy for the provision of charity care that ensures access to services regardless of an individual's ability to pay and shall provide ambulatory surgical services on a charitable basis to qualified indigent persons consistent with this policy. The policy shall have the following provisions:

See attached policy: See attachment I: Policy: Charity Care

(i) Determination of Eligibility for Charity Care. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the facility shall make a determination of probable eligibility.

See attached policy: See attachment J: Financial Assistance Form

(ii) Notice of Charity Care Policy. Public notice and information regarding the facility's charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the facility's service area population and in a format understandable by the service area population. Notices regarding the facility's charity care policy shall be posted in the registration area and business office of the facility. Prior to a patient's arrival for surgery, the facility shall address any financial concerns of the patient, and individual notice regarding the facility's charity care policy shall be provided.

See attachment I

a. Notice of Charity Care is posted in the Business Office in English and Spanish. Other language interpretations available upon request.

   See attachment L-a and L-b.

b. Notice of Charity Care is made available to public on an annual basis in the FNP newspaper.

See attachment K and M 1-3 for 2021 notices

c. The information on our website (Physicianssrgctr.com) and in our self-registration patient education site of Simple Admit

See attachment N a and b

d. Surgeons and local providers are notified periodically via email/letter reminder that PSCF supports Charity Care and to allow PSCF to assist any of their patients in need of this offering or is indigent.

See attachment O

e. Information regarding Charity Care Policy is in the patient brochure

See attachment P

f. FCHD is notified of PSCF Charity Care policy and confirmed received by Rissah Watkins at FrederickCountyMD.gov

Her recommendations for communication to community services followed as noted below. Reminder notices will be sent periodically and as needed:

Mission of Mercy
Religious Coalition Emergency Community Needs
Frederick Community Action Agency
Julio Menocal, MD
Centro Hispano
Asian American Services of Maryland
Church Community
"Staff word of mouth"

See attachment Q (Letter sent to all of the above)

g. Business Office Staff offer assistance as needed and communicates with person in need or has an inquire

See attachment R: Example of Communication

(iii) Criteria for Eligibility. A hospital shall comply with applicable State statutes and Health Services Cost Review Commission ("HSCRC") regulations regarding financial assistance policies and charity care eligibility. An ASF, at a minimum, shall include the following eligibility criteria in its charity care policies. Persons with family income below 100 percent of the current federal poverty guideline who have no health insurance coverage and are not eligible for any public program providing coverage for medical expenses shall be eligible for services free of charge. At a minimum, persons with family income above 100 percent of the federal poverty guideline but below 200 percent of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale of discounts for family income bands. A health maintenance organization, acting as both the insurer and provider of health care services for members, shall have a financial assistance policy for its members that is consistent with the minimum eligibility criteria for charity care required of ASFs described in

these regulations.

See attached Charity Care policy attachment I. Section "Approval Process".

(b) A hospital with a level of charity care, defined as the percentage of total operating expenses that falls within the bottom quartile of all hospitals, as reported in the most recent HSCRC Community Benefit Report, shall demonstrate that its level of charity care is appropriate to the needs of its service area population.

PSCF assists any person who falls into the criteria of need in the facility's Charity Care policy. PSCF is located two miles from FHH. Many patient in this category seek treatment at FHH, plan surgical services at that location due to ease, location, transportation, familiarity, lack of insurance benefits, lack of awareness, home support systems, etc., and are encouraged to be scheduled at PSCF. A certain number of this population are also scheduled for surgery, yet do not show up for service and therefore do not partake in this offer due to cancellation. However, PSCF absorbs financial cost of planning, staffing and supplies unused. To prevent this occurrence, PSCF strongly supports those in need or are indigent to follow through with their planned procedures regardless of ability to pay. While PSCF provides reminders to surgeons and local providers quarterly regarding charity care, it still remains a challenge to meet the criteria stated above. Therefore, Charity care is offered to all patients based on need and situational issues out of the patients control.

In addition to Charity Care, PSC offers assistance and support of payment plans, completing documents for those patients undergoing difficult times so that payments are manageable that that particular time in their life or provided service at no cost.

See attachment R: Example of correspondence

PSCF participates with Maryland Medicaid providers.

PSCF publishes Charity care policy on a continual basis on its website, Patient Screening and insurance verification program Simple Pay and Simple Admit in multiple languages, in addition to the Frederick News Post annually. PSCF in good faith is committed to meeting this challenge, and strives to meet or exceed the minimum of expected contribution of charity care on a yearly basis. Our goal is to Meet or exceed the average amount of charity care provided in Ambulatory Surgical Facilities which is 059% of net revenue as provided by MHCC.

See attachment S. Charity Care Provided in Ambulatory Surgical Facilities

(c) A proposal to establish or expand an ASF for which third party reimbursement is available, shall commit to provide charitable surgical services to indigent patients that are equivalent to at least the average amount of charity care provided by ASFs in the most recent year reported, measured as a percentage of total operating expenses. The applicant shall demonstrate that:

(i) Its track record in the provision of charitable health care facility services supports the credibility of its commitment; and

PSCF has consistently demonstrated the desire to provide charity care to those who need it. Much of the other charity care is based upon write offs for patient who claim hardship at any given time yet would not necessarily qualify for "charity care" and/or chose not to complete the

paperwork due to cognitive disabilities among other personal constraints. For the purposes of the table below, the charity, care was provided based upon the patient's request and application approval for meeting the guidelines for assistance.

PSCF will continue to provide charity care as a core principle of our mission to provide the best services to all in our community possible. PSCF will make our policy public, promote the process at the physicians' offices, health department and local agencies that assist the community in need to insure that our contribution increases annually to meet or exceed the goal of 0.68% of expenses by the end of 2025.

It should be noted the COVID 19 pandemic closures had an impact during the year of 2020. Many did not seek non-urgent medical care for multiple reasons and seems to have unfortunately, affected demographics unevenly. PSCF is committed to supporting access to all regardless of ability to pay. The organization commits to increasing percent of expenses toward charity care to greater than 0.68% percent and will strive to achieve this goal.

(ii) It has a specific plan for achieving the level of charitable care provision to which it is committed.

In addition to current activities as noted above, PSCF will expand its public notice of Charity Care Policy to local Primary Care and Pediatric Care offices and local community outreach programs.

PSCF will encourage staff to share this policy within their communities, charitable organizations, shelters, and churches and encourage them to spread this information to anyone they feel may have a need.

The facility will share the charity care policy with the FCHD annually and to external sources and physicians' offices as recommended by FCHD

Business Office staff will support and educate offices and patients about the facility policy and offer assistance as needed.

Staff that have access or participate in charities and other organizations that assist the underserved are encouraged to share the PSCF Charity Care Policy with these organizations.

PSCF will provide ongoing education and training to staff in support of this process to enable them to assist individuals efficiently, raise awareness and spread support within and outside the community we serve.

(iii) If an existing ASF has not met the expected level of charity care for the two most recent years reported to MHCC, the applicant shall demonstrate that its historic level of charity care was appropriate to the needs of the service area population.

PSCF has consistently demonstrated its commitment to charity care in the community served. It has increased year over year with the exception of 2020 due to the pandemic and demand for surgical services declining due to physicians not seeing patient in their offices and referring to local surgeons. It is revealing improvement in the first half of 2021. In the meantime, PSCF will continue its campaign to provide services to those in need. In addition to charity care, PSCF will also offer assistance to those experiencing immediate and/or temporary hardship to insure all persons seeking surgical care are able to receive it at PSCF as appropriate.

PSCF is committed to meeting or exceeding the average charity care provided by all facilities in Maryland and will work diligently to insure all are provided care regardless of ability to pay.

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses	3192181.81	3299538.39	3783991.66	3805413.99	4017706	4417548	4762856	5521213	6090125	6541855
Charity Care	$3,847.00	$5500.00	$9905.00	$8000.00	0 pandemic	16000	24000	32000	40000	45000
% Charity Care	.10	.16	.26	.20	0	.36	.48	.57	.65	.68-1.0

(d) A health maintenance organization, acting as both the insurer and provider of health care services for members, if applying for a Certificate of Need for a surgical facility project, shall make a commitment to provide charitable services to indigent patients. Charitable services may be surgical or non-surgical and may include charitable programs that subsidize health plan coverage. At a minimum, the amount of charitable services provided as a percentage of total operating expenses for the health maintenance organization will be equivalent to the average amount of charity care provided statewide by ASFs, measured as a percentage of total ASF expenses, in the most recent year reported. The applicant shall demonstrate that: na

(i) Its track record in the provision of charitable health care facility services supports the credibility of its commitment; and na

(ii) It has a specific plan for achieving the level of charitable care provision to which it is committed. na

(iii) If the health maintenance organization's track record is not consistent with the expected level for the population in the proposed service area, the applicant shall demonstrate that its historic level of charity care was appropriate to the needs of the population in the proposed service area. na

4. Standard .05(A) (4) Quality of Care.

A facility providing surgical services shall provide high quality care.

(a) An existing hospital or ambulatory surgical facility shall document that it is licensed, in good standing, by the Maryland Department of Health.

See attachment T.

(b) A hospital shall document that it is accredited by the Joint Commission.

See attachment U: AAAHC accreditation letter.

(c) An existing ambulatory surgical facility or POSC shall document that it is:

(i) In compliance with the conditions of participation of the Medicare and Medicaid programs;

See attachment V a and b.

(ii) Accredited by the Joint Commission, the Accreditation Association for Ambulatory Health Care, the American Association for Accreditation of Ambulatory Surgery Facilities, or another accreditation agency recognized by the Centers for Medicare and Medicaid as acceptable for obtaining Medicare certification; and

See attachment U

(iii) A provider of quality services, as demonstrated by its performance on publicly reported performance measures, including quality measures adopted by the Centers for Medicare and Medicaid Services. The applicant shall explain how its ambulatory surgical facility or each POSC, as applicable, compares on these quality measures to other facilities that provide the same type of specialized services in Maryland.

CTQ Voyance Patient Satisfaction: PSCF consistently rates above the 99 percentile nationwide

Annual Benchmarking study:

Ongoing- PSCF compares favorably and makes adjustments to processes as indicated. In turn, that enables PSCF to enjoy positive outcomes compared to other organizations and to use as a tool for continual improvement

Local Benchmarking: Utilized as needed to make improvements to processes

Patient Navigation calls/contact

Annual MHCC reporting/Leapfrog Reporting and analysis: annual

reporting performed annually and utilized to compare and improve processes as needed. PSCF compares favorably in most areas, and makes adjustments to processes as indicated.

AHRQ Reporting and benchmarking: annual reporting performed annually and utilized to compare and improve processes as needed. PSCF compares favorably

HNSN : annual reporting performed annually and utilized to compare and improve processes as needed. PSCF compares favorably.

CMS CHAPS reporting for the nation: Pending

Participation in 2021 Leapfrog Survey: Pending

All of the above reporting and benchmarking activities are utilized as a component of the organizations Performance Improvement/Risk Management program and communicates with the governing body regarding results, actions taken for improvement and evaluation of results on a continual basis.

(d) A person proposing the development of an ambulatory surgical facility shall demonstrate that the proposed facility will:

(i) Meet or exceed the minimum requirements for licensure in Maryland in the areas of administration, personnel, surgical services provision, anesthesia services provision, emergency services, hospitalization, pharmaceutical services, laboratory and radiologic services, medical records, and physical environment; and

See attached license and latest Medicare Survey Report.

See attachment V a and b.

(ii) Obtain accreditation by the Joint Commission, the Accreditation Association for Ambulatory Health Care, or the American Association for Accreditation of Ambulatory Surgery Facilities within two years of initiating service at the facility or voluntarily suspend operation of the facility.

See attachment U: AAAHC accreditation letter

(e) An applicant or a related entity that currently or previously has operated or owned a POSC or ambulatory surgical facility, in Maryland or outside of Maryland, in the five years prior to the applicant's filing of a request for exemption request to establish an ASF, shall address the quality of care provided at each location through the provision of information on licensure, accreditation, performance metrics, and other relevant information.

5. Standard .05(A) (5) <u>Transfer Agreements.</u>

(a) Each ASF shall have written transfer and referral agreements with hospitals

capable of managing cases that exceed the capabilities of the ASF.

(b) Written transfer agreements between hospitals shall comply with Department of Health regulations implementing the requirements of Health-General Article §19-308.2.

(c) Each ASF shall have procedures for emergency transfer to a hospital that meet or exceed the minimum requirements in COMAR 10.05.05.09.

Attachments W.
Attachment X.

B.10.24.01.08G(3)(b) The State Health Plan:

b. Project Review Standards

1. Standard .05(B)(1): Service Area.....28
2. Standard .05(B)(2): Need-Minimum Utilization for Establishment of a New or Replacement Facility.....28
3. Standard .05(B)(3): Need-Minimum Utilization for Expansion of an Existing Facility.....29
4. Standard .05(B)(4): Design Requirements.....32
5. Standard .05(B)(5): Support Services.....32
6. Standard .05(B)(6): Patient Safety.....33
7. Standard .05(B)(7): Construction Costs.....33
8. Standard .05(B)(8): Financial Feasibility.....36
9. Standard .05(B)(9): Impact.....36
10. Standard .05(B)(10): Preference in Comparative Reviews.....39
11. Need.....40
    a. Table 1: Statistical Projections-Entire Facility.....40
    b. Table 2: Statistical Projections-Proposed Project.....41
    c. Table L: Workforce Information.....41a

B. Project Review Standards.

The standards in this regulation govern reviews of Certificate of Need applications and requests for exemption from Certificate of Need review involving surgical facilities and services. An applicant for a Certificate of Need or an exemption from Certificate of Need shall demonstrate consistency with all applicable review standards, unless an applicant is eligible for an exemption covered in Regulation .06. of this chapter.

1. Standard .05B (1) Service Area.

An applicant proposing to establish a new hospital providing surgical services or a new ambulatory surgical facility shall identify its projected service area. An applicant proposing to expand the number of operating rooms at an existing hospital or ambulatory surgical facility shall document its existing service area, based on the origin of patients served.

Maryland, Pennsylvania and West Virginia; Maryland is the primary area our facility provides care to with its primary county of Frederick. However, PA and WV state lines are within 40 minutes of the facility and many patients from those areas are provided ambulatory surgical services at PSCF.

Attached are Frederick County and the state of Maryland growth charts and projections which reveal the current population density and a significant increase in population for the area PSCF serves contributing, in part, to the continual increase in demand at our facility.

See attachment Y.

2. Standard .05B (2) Need - Minimum Utilization for Establishment of a New or Replacement Facility. na

An applicant proposing to establish or replace a hospital or ambulatory surgical facility shall:

(a) Demonstrate the need for the number of operating rooms proposed for the facility, consistent with the operating room capacity assumptions and other guidance included in Regulation .07 of this chapter.

(b) Provide a needs assessment demonstrating that each proposed operating room is likely to be utilized at optimal capacity or higher levels within three years of the initiation of surgical services at the proposed facility, consistent with Regulation .07 of this chapter.

(c) An applicant proposing the establishment or replacement of a hospital shall submit a needs assessment that includes the following:

(i) Historic trends in the use of surgical facilities for inpatient and outpatient surgical procedures by the new or replacement hospital's likely service area population;

(ii) The operating room time required for surgical cases projected at the proposed new or replacement hospital by surgical specialty or operating room category; and

(iii) In the case of a replacement hospital project involving relocation to a new site, an analysis of how surgical case volume is likely to change because of changes in the surgical practitioners using the hospital.

(d) An applicant proposing the establishment of a new ambulatory surgical facility shall submit a needs assessment that includes the following:

(i) Historic trends in the use of surgical facilities for outpatient surgical procedures by the proposed facility's likely service area population;

(ii) The operating room time required for surgical cases projected at the proposed facility by surgical specialty or, if approved by Commission staff, another set of categories; and

(iii) Documentation of the current surgical caseload of each physician likely to perform surgery at the proposed facility.

***3. Standard .05B (3) <u>Need - Minimum Utilization for Expansion of An Existing Facility.</u>**

An applicant proposing to expand the number of operating rooms at an existing hospital or ambulatory surgical facility shall:

(a) Demonstrate the need for each proposed additional operating room, utilizing the operating room capacity assumptions and other guidance included at Regulation .07 of this chapter;

Dedicated Outpatient General Purpose Operating Room: Full Capacity: Used a minimum of 255 days per year, 8 hours per day and is considered at full capacity at 2040 hours per year. Has optimal capacity of 80% of full capacity noted above which is 1632 hours per year. This includes the time during which the surgical procedures are being performed and room turnaround time between cases:

By the year, 2025 each operating room has the potential to support 1143 cases or more, each per year for optimal capacity. Projections reveal case volume of 4575 cases in 2025. This corresponds with a total of 1143 cases in each OR per year, some of which will be suitable for the procedure room. Projecting Procedure Room volume is less accurate due to case-by-case evaluation for appropriateness for the room. However, the majority of cases performed at PSCF will be most appropriate for the operating room.

(b) Demonstrate that its existing operating rooms were utilized at optimal capacity in the most recent 12-month period for which data has been reported to the Health Services Cost Review Commission or to the

Maryland Health Care Commission; and

The most recent 12-month period of utilization in spite of closure for COVID-19 for the year of 2020 total case volume was 2060 with the following case volume in each current room:

OR1: 912 cases
OR2: 1112 cases
PR: 36 cases

Based upon those figures for each room, it reveals utilization the operating rooms were used at full capacity and some days ran late in the day to support case volume. It is anticipated that the annual case volume for 2021 (assessing ytd volume June 30) will be approximately 2865 cases. Once again exhibiting full case volume per OR.

Provide a needs assessment demonstrating that each proposed operating room is likely to be utilized at optimal capacity or higher levels within three years of the completion of the additional operating room capacity, consistent with Regulation .07 of this chapter. The needs assessment shall include the following:

Surgeon	2020	2021	2022	2023	2024	2025
Andochick	69	95	100	120	150	180
Mecinski	333	375	400	430	475	500
Steinberg	229	290	350	365	380	400
Nesbitt	643	675	725	740	780	800
Levine	166	215	300	335	375	400
Thadani	513	675	700	730	800	825
Horton	59	285	360	415	490	600
Walsh	20	140	175	200	225	275
Henry	8	15	30	50	75	95
Gupta	5	0	10	40	80	100
Other(New Surgeons) 3:orthopedic 1: ophth	15	100	225	275	345	400
	(COVID)	Increase post COVID				
Total Cases	2060	2865	3275	3700	4175	4575

(i) Historic and projected trends in the demand for specific types of surgery among the population in the proposed service area;

(ii) Operating room time required for surgical cases historically provided at the facility by surgical specialty or operating room category; and

(iii) Projected cases to be performed in each proposed additional operating room.

Table 1-2: Statistical Projections- Entire Facility and Proposed Project

Year	OR Cases	Surgical Procedure time (60 min ave/case)	Turn around time (25 minutes per case average)	Total OR time in hours of utilization	ORs needed at Optimal Capacity
Historic					
2016	1574	95640	39350	1125	1.37
2017	1909	106723	47725	1287	1.57
2018	2075	106844	51875	1347.5	1.65
2019	2486	123343	62150	3092	1.89
2020 COVID and HVAC closures	2060	108883	51500	2673	1.63
Projected **Proposed Project**					
2021	2865	151845	71625	3724.5	2.3 (Work late days and weekends if indicated to accommodate case increased caseloads with two OR's as needed)
2022	3275	196500	81875	4640	2.84
2023	3700	222000	92500	5241	3.21
2024	4175	250500	104375	5914	3.62
2025	4575	274500	117375	6536	4.0

Minute projections is based upon historical average of 60 minutes per case (many cases are greater than 3 hours). For the purposes of the table above, Surgical time and turnover times will be calculated at an average of 25 minutes. Historically turnover time will vary (turnover typically varies between 15-45 minutes and longer) corresponding to complexity of cases due to extensive breast reconstruction cases, orthopedic and robotic total joint replacements significantly increasing year over year and the inevitable unanticipated delays.

Average turn over chosen for the purposes of this projection example will 25 minutes between cases with the potential to be less or more. It has revealed projections of hours of room utilization to be between 4640 hours in 2022 and 6536 hours by end of 2025 resulting in four OR utilization at optimal levels of utilization.

4. Standard .05B (4) Design Requirements.

Floor plans submitted by an applicant must be consistent with the current Facility Guidelines Institute's Guidelines for Design and Construction of Health Care Facilities (FGI Guidelines):

(a) A hospital shall meet the requirements in current Section 2.2 of the FGI Guidelines.

(b) An ASF shall meet the requirements in current Section 3.7 of the FGI Guidelines.

(c) Design features of a hospital or ASF that are at variance with the current FGI Guidelines shall be justified. The Commission may consider the opinion of staff at the Facility Guidelines Institute, which publishes the FGI Guidelines, to help determine whether the proposed variance is acceptable.

See attachment C. 1-6. Floor Plans
See attachment Z. MEDARCH Design Project letter 2035.1
Hard Copies, enlarged version submitted with application

5. Standard .05B (5) Support Services.

Each applicant shall agree to provide laboratory, radiology, and pathology services as needed, either directly or through contractual agreements.

PSCF provides Radiology, laboratory, pharmaceutical and pathology services as licensed and/or contracted if indicated.

Radiology services are provided on site and monitored by contracted physicist and radiation services in compliance with MD Department of the environment and overseen by the facility Medical Director.

See attachment A-1 MD Department of Environment Radiology
See attachment B-1 Clia,
See attachment C-1a DEA certificate
See attachment C-1b Dispense License

6. Standard .05B (6) Patient Safety.

The design of surgical facilities or changes to existing surgical facilities shall include features that enhance and improve patient safety. An applicant shall:

(a) Document the manner in which the planning of the project took patient safety into account; and

1. Phased in construction with wall barrier un breached
2. Renovation with entry from outside of current building and connecting wall to new structure un breached until complete.
3. Wall between structures will be demolished, finished and cleaned up on weekend when no cases in progress and empty 24 hours prior to opening for cases as one contiguous unit/facility
4. Compliance with all life safety codes
5. Compliance with ADA regulations
6. Compliance with all state, federal and local fire and safety codes
7. Comprehensive Performance Improvement Risk Management, Infection Control program, Pharmacy and Materials Management for all areas
8. Staff education and training of all equipment, utilities and applicable venues to insure patient safety
9. DHMH survey and licensing approval
10. AAAHC notification and survey
11. Patient and staff call system

(b) Provide an analysis of patient safety features included in the design of proposed new, replacement, or renovated surgical facilities.

See attachment G-1: construction characteristics

See Attachment Z: Mecarch Design Project 2035.01: Sealed letter to support the following statement:

"Facility Guidelines Institute (FGI) as referenced by the MDH Application.
Application calls for conformance to Chapter 3.7.
This reference dated in 2018 refers to the current FGI Standard published in 2014. The 2018 Standard has been published but refers to Chapter 2.7. Chapter 2.7 is the current edition of 2014 Chapter 3.7 except with several additions. The Center Expansion has been designed to conform to the most current edition 2018 FGI."

7. Standard .05B (7) Construction Costs.

The cost of constructing surgical facilities shall be reasonable and consistent with

current industry cost experience.

(a) Hospital projects.

(i) The projected cost per square foot of a hospital construction or renovation project that includes surgical facilities shall be compared to the benchmark cost of good quality Class A hospital construction given in the Marshall Valuation Service® guide, updated using Marshall Valuation Service® update multipliers, and adjusted as shown in the Marshall Valuation Service® guide as necessary for site terrain, number of building levels, geographic locality, and other listed factors.

- See Part II: table E Project Budget Explanation of budget

Approximate cost per sf for PSCF will be $180.50 sf.

Total: $2,217,000.00 PSCF Liability

- This project complies with definitions in the Marshall Swift Evaluation.

See attachment D.1 and D.2 : Table C and corresponding Construction Characteristics.

- Loan application with FCB will take place once approval from the MHCC is approved and the project ready to proceed. FCB will provide a loan for 2,217000.00 for PSCF.

  See attachment E-1: Letter from Frederick County Bank

- Andochick Properties is a fully **separate** entity that plans to build shell structure, and the balance is its responsibility as landlord at a rate of 4% interest as is current rate July 2021 and subject to change for term of 15 or 20 years.

See attachment E-1: letters from FCB.

- The lease for the completed project will be extended and ongoing based upon total sf:

  Year 2022: 32.27/sf/month

  Completed project: 17056sf

  Rent per month: $45,866.42

  . See attachment F-1: Lease table will be updated for 2023

(ii) If the projected cost per square foot exceeds the Marshall Valuation Service® benchmark cost, any rate increase proposed by the hospital related to the capital cost of the project shall not include:

1. The amount of the projected construction cost and associated capitalized construction cost that exceeds the Marshall Valuation Service® benchmark; and

2. Those portions of the contingency allowance, inflation allowance, and capitalized construction interest expenditure that are based on the excess construction cost.

See attachments: D 1. And 2.(Table C and Table D)
See Part II: 1. Table E and explanation of budget
See attachment G-1: Construction Characteristics

Application Table "C" as referenced by the MDH Application.

See Redlines as per the definitions in the Marshall Swift Evaluation
The Class of Construction is updated to Class "D" on the basis of wood frame with brick cladding.
Type of Construction is Good

Table C is Attached

Updated letter Dated 6.23 is attached Construction Characteristics.

Application Table "D" as referenced by the MDH Application.

This table addresses Site Development Costs and not building costs.
See Redlines as per the definitions in the Marshall Swift Evaluation
Statement of probable costs classifies the site costs of $220,000 and is attached.
Table D is Attached

Application Table "E" as referenced by the MDH Application.

See statement of probable costs for this information pertaining to construction.

Contingency Allowance: $200,000.00

Post COVID inflation rate for May 2021 is 5%. See attachment x

(b) Ambulatory Surgical Facilities.

(i) The projected cost per square foot of new construction shall be compared to the benchmark cost of good quality Class A construction given in the Marshall Valuation Service® guide, updated using Marshall Valuation Service® update multipliers, and adjusted as shown in the Marshall Valuation Service® guide as necessary for site terrain, number of building levels, geographic locality, and other listed factors. This standard does not apply to the costs of renovation or the fitting out of shell space.

(ii) If the projected cost per square foot of new construction exceeds the Marshall Valuation Service® benchmark cost by 15% or more, then the applicant's project shall not be approved unless the applicant demonstrates the reasonableness of the construction costs. Additional independent construction cost estimates or information on the actual cost of recently constructed surgical facilities similar to the proposed facility may be provided to support an applicant's analysis of the reasonableness of the construction costs.

See attachment Z.

8. Standard .05B (8) Financial Feasibility.

A surgical facility project shall be financially feasible. Financial projections filed as part of an application that includes the establishment or expansion of surgical facilities and services shall be accompanied by a statement containing each assumption used to develop the projections.

(a) An applicant shall document that:

(i) Utilization projections are consistent with observed historic trends in use of each applicable service by the likely service area population of the facility;

(ii) Revenue estimates are consistent with utilization projections and are based on current charge levels, rates of reimbursement, contractual adjustments and discounts, bad debt, and charity care provision, as experienced by the applicant facility or, if a new facility, the recent experience of similar facilities;

(iii) Staffing and overall expense projections are consistent with utilization projections and are based on current expenditure levels and reasonably anticipated future staffing levels as experienced by the applicant facility, or, if a new facility, the recent experience of similar facilities; and

(iv) The facility will generate excess revenues over total expenses (including debt service expenses and plant and equipment depreciation), if utilization forecasts are achieved for the specific services affected by the project within five years of initiating operations.

(b) A project that does not generate excess revenues over total expenses even if utilization forecasts are achieved for the services affected by the project may be approved upon demonstration that overall facility financial performance will be positive and that the services will benefit the facility's primary service area population.

9. Standard .05B (9) Impact.

(a) An application to establish a new ambulatory surgical facility shall present the following data as part of its impact assessment, in addition to addressing COMAR 10.24.01.08G(3)(f):

(i) The number of surgical cases projected for the facility and for each physician and practitioner:

Surgeon	2020	2021	2022	2023	2024	2025
Andochick	69	95	100	120	150	180
Mecinski	333	375	400	430	475	500
Steinberg	229	290	350	365	380	400
Nesbitt	643	675	725	740	780	800
Levine	166	215	300	335	375	400
Thadani	513	675	700	730	800	825
Horton	59	285	360	415	490	600
Walsh	20	140	175	200	225	275
Henry	8	15	30	50	75	95
Gupta	5	0	10	40	80	100
Other(New Surgeons) 3:orthopedic 1: ophth	15	100	225	275	345	400
	(COVID)	Increase post COVID				
Total Cases	2060	2865	3275	3700	4175	4575

(ii) A minimum of two years of historic surgical case volume data for each physician or practitioner, identifying each facility at which cases were performed and the average operating room time per case. Calendar year or fiscal year data may be provided as long as the time period is identified and is consistent for all physicians; and

Surgeon	2019	Ave. time per case min.	2020	Ave. time per case	2021	Ave. time per case
Andochick	64	240	60	160	95	259
Mecinski	440	60	323	47	375	45
Steinberg	241	90	239	67	290	68
Nesbitt	798	60	653	44.5	675	44
Levine	174	120	166	105	215	106
Thadani	658	45	516	23	675	26
Horton	0		59	73	285	70
Walsh	15	120	20	63	140	56
Henry	27	60	8	54	15	54
Gupta	7	180	5	72	0	0
Other(New Surgeons) 3: orthopedic 1: Ophth	62	60	14	60	100	60
			(COVID)			
Total Cases	2486	Ave. 103.5 min	2060	Ave. 70 min	2865	Ave. 79 min.

Average case time over three year period is 84 minutes

(iii) The proportion of case volume expected to shift from each existing facility to the proposed facility.

The surgeons that bring case volume to PSCF primarily work at PSCF and FHH. One surgeon works at Meritus and one works at an ASC in WV. The draw from these facilities will be minimal or non-existent and the impact will be negligible.

The cases that each surgeon will bring to PSCF will be outpatient candidates only. The main increase in cases moved from FHH will be total shoulders and hip replacements as approved by Medicare in 2021 that are suitable candidates of good health, have appropriate support systems and access to outpatient services upon discharge will be moved to PSCF. This will not account for a large number of patients and therefore the impact to FHH will be minimal.

All cases performed by PSCF surgeons are out patient candidates only and would have originally been scheduled at PSCF and not the local hospital. The surgeons out patient volume has increased year over year and with the addition of increasing numbers of outpatient appropriate total joint replacement procedures has continually increased and has resulted in a very successful program. Thus, the impact to local facilities is negligible. The cases that are turned away due to lack of OR time are typically re-scheduled on another day, if appropriate placed in the Procedure room that has open time or sent to FHH. Those cases will be the main ones affecting the hospital. That can be considered up to 500 cases per year that should be done in the outpatient setting. FHH encourages outpatient cases be placed in outpatient settings. Therefore, the impact will be positive for FHH. PSCF strives to accommodate all out patient cases as revealed in increase of early starts and late days.

Due to the fact the PSCF surgeons do not provide services at surrounding ASC's, the impact on those facilities will also be negligible.

An application shall assess the impact of the proposed project on surgical case volume at general hospitals:

(i) If the applicant's needs assessment includes surgical cases performed by one or more physicians who currently perform cases at a hospital within the defined service area of the proposed ambulatory surgical facility that, in the aggregate, account for 18 percent or more of the operating room time in use at a hospital, then the applicant shall include, as part of its impact assessment, a projection of the levels of use at the affected hospital for at least three years following the anticipated opening of the proposed ambulatory surgical facility.

Na

(ii) The operating room capacity assumptions in Regulation .07A of

this chapter and the operating room inventory rules in Regulation .07C of this chapter shall be used in the impact assessment.

10. Standard .05B (10) Preference in Comparative Reviews.

In a comparative review of CON applications to establish an ambulatory surgical facility or provide surgical services, preference will be given to a project that commits to serve a larger proportion of charity care and Medicaid patients. An applicant's commitment to provide charity care will be evaluated based on its past record of providing such care and its proposed outreach strategies for meeting its projected level of charity care.

See PSCF Charity Care Policy and attachments I, J, K, La/b, M 1-3, N a-b, O
(See attached letters to community based organizations) P, Q, R.

10.24.01.08G(3)(b). Need.

The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served, and established that the proposed project meets those needs.

INSTRUCTIONS: Please discuss the need of the population served or to be served by the Project.

Responses should include a quantitative analysis that, at a minimum, describes the Project's expected service area, population size, characteristics, and projected growth. If the relevant chapter of the State Health Plan includes a need standard or need projection methodology, please reference/address it in your response. For applications proposing to address the need of special population groups, please specifically identify those populations that are underserved and describe how this Project will address their needs.

If the project involves modernization of an existing facility through renovation and/or expansion, provide a detailed explanation of why such modernization is needed by the service area population. Identify and discuss relevant building or life safety code issues, age of physical plant issues, or standard of care issues that support the need for the proposed modernization.

Please assure that all sources of information used in the need analysis are identified. List all assumptions made in the need analysis regarding demand for services, utilization rate(s), and the relevant population, and provide information supporting the validity of the assumptions.

Complete Tables 1 and/or 2 below, as applies.

[(INSTRUCTION: Complete Table 1 for the Entire Facility, including the proposed project, and Table 2 for the proposed project only using the space provided on the following pages. Only existing facility applicants should complete Table 1. All Applicants should complete Table 2. Please indicate on the Table if the reporting period is Calendar Year (CY) or Fiscal Year (FY)]

TABLE 1: STATISTICAL PROJECTIONS - ENTIRE FACILITY

	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years (ending with first full year at full utilization)			
CY or FY (Circle)	2019	2020	2021	2022	2023	2024	2025
a. Number of operating rooms (ORs)	2	2	2	2	4	4	4

• Total Procedures in ORs	2486	2060	2865	3275	3700	4175	4575
• Total Cases in ORs	2486	2060	2865	3275	3700	4175	4575
• Total Surgical Minutes in ORs**	123343	108883	151845	196500	222000	250500	274500
b. Number of Procedure Rooms (PRs)	1	1	1	1	2	2	2
• Total Procedures in PRs	15	59	100	150	190	230	270
• Total Cases in PRs	15	59	100	150	190	230	270
• Total Minutes in PRs**	435	2100	3559	5250	6650	8050	9450

*Number of beds and occupancy percentage should be reported on the basis of licensed beds.
**Do not include turnover time.

TABLE 2: <u>STATISTICAL PROJECTIONS - PROPOSED PROJECT</u>
(INSTRUCTION: All applicants should complete this table.)

	Projected Years (Ending with first full year at full utilization)			
CY or FY (Circle)	2022	2023	2024	2025
a. Number of operating rooms (ORs)	2	4	4	4
• Total Procedures in ORs	3275	3700	4175	4575
• Total Cases in ORs	3275	3700	4175	4575
• Total Surgical Minutes in ORs**	196500	222000	250500	274500
b. Number of Procedure Rooms (PRs)	150	190	230	270
• Total Procedures in PRs	150	190	230	270
• Total Cases in PRs	150	190	230	270
• Total Minutes in PRs**	5250	6650	8050	9450

*Do not include turnover time

TABLE L. WORKFORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G.

	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
Job Category	**Current Year FTEs**	**Average Salary per FTE**	**Current Year Total Cost**	**FTEs**	**Average Salary per FTE**	**Total Cost** *(should be consistent with projections in Table G, if submitted).*	**FTEs**	**Average Salary per FTE**	**Total Cost**	**FTEs**	**Total Cost** *(should be consistent with projections in Table G)*
1. Regular Employees											
Administration *(List general categories, add rows if needed)*											
BOS/BOM	1.0	$57,581	$57,581	0.0					$0	1.0	$57,581
Billing	1.0	$52,563	$52,563	1.0	$53,165	$53,165			$0	2.0	$105,728
BOS	2.0	$69,220	$69,220	1.5	$103,830	$103,830			$0	3.5	$173,050
Administrator	1.0	$117,653	$117,653	0.0					$0	1.0	$117,653
Clinical Coordinator	1.0	$77,987	$77,987	1.0	$90,000	$90,000				2.0	$167,987
Total Administration	6.0		$375,004	3.5		$246,995			$0	9.5	$621,999
Direct Care Staff *(List general categories, add rows if needed)*											
RN	0.6	$68,171	$68,171	1.0	$68,952	$68,952				1.6	$137,123
RN	0.8	$78,145	$78,145						$0	0.8	$78,145
RN	1.0	$71,318	$71,318	1.0	$72,134	$72,134				2.0	$143,452
RN	0.6	$47,060	$47,060	1.0	$47,599	$47,599				1.6	$94,659
RN	0.6	$29,366	$29,366							0.6	$29,366
Pre-Operative Screening RN	0.8	$58,453	$58,453	1.0	$59,122	$59,122			$0	1.8	$117,575
RN	0.6	$42,692	$42,692	1.0	$70,720	$70,720				1.6	$113,412
RN	1.0	$63,750	$63,750	1.0	$64,480	$64,480				2.0	$128,230
RN	1.0	$86,371	$86,371	1.0	$87,360	$87,360				2.0	$173,731
PRN staff total	1.0	$82,258	$82,258	1.0	$83,200	$83,200				2.0	$165,458
RN	1.0	$86,371	$86,371	1.0	$87,360	$87,360				2.0	$173,731
Technician	0.8	$42,569	$42,569	1.0	$53,820	$53,820				1.8	$96,389
Technician	1.0	$63,750	$63,750	1.0	$64,480	$64,480				2.0	$128,230
Technician	0.6	$33,561	$33,561	1.0	$40,000	$40,000				1.6	$73,561
Technician	0.4	$21,880	$21,880							0.4	$21,880
Technician	0.8	$46,986	$46,986	1.0	$58,733	$58,733				1.8	$105,719
Tec|	0.8	$36,917	$36,917	1.0	$46,146	$46,146				1.8	$83,063
RN	0.5	$39,547	$39,547							0.5	$39,547
RN	1.0	$74,032	$74,032	1.0	$74,032	$74,032			$0	2.0	$148,064
Total Direct Care	14.9		$1,073,197	15.0		$979,137			$0	29.9	$2,051,334
Support Staff *(List general categories, add rows if needed)*											
SPD Technician	1.0	$44,049	$44,049	1.0	$44,554	$44,554			$0	2.0	$88,603
Medical Assistant	0.2	$5,758	$5,758	2.0	$58,240	$58,240				2.2	$63,998
Medical Assistant	1.0	$35,782	$35,782	1.0	$36,192	$36,192				2.0	$71,974
Medical Assistant	1.0	$28,790	$28,790	1.0	$29,120	$29,120				2.0	$57,910
COVID 19 Screening	1.0	$27,680	$27,680							1.0	$27,680
Medical Assistant				1.0	$37,500	$37,500				1.0	$37,500
Total Support	4.2		$142,059	6.0		$205,606			$0	10.2	$347,665
REGULAR EMPLOYEES TOTAL	25.1		$1,590,260	24.5		$1,430,738			$0	49.6	$3,020,999
2. Contractual Employees											
Administration *(List general categories, add rows if needed)*											
Clinical Coordinator			$87,360	1.0		$87,360			$0	1.0	$174,720
Clinical Coordinator OR			$0	1.0		$87,360			$0	1.0	$87,360
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
Total Administration			$0			$0			$0	0.0	$0
Direct Care Staff *(List general categories, add rows if needed)*											
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
Total Direct Care Staff			$0			$0			$0	0.0	$0
Support Staff *(List general categories, add rows if needed)*											
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0						$0	0.0	$0
Total Support Staff			$0			$0			$0	0.0	$0
CONTRACTUAL EMPLOYEES TOTAL			$0						$0	0.0	$0
Benefits *(State method of calculating benefits below):*											
TOTAL COST	25.1		$1,049,383	24.5		$1,430,738	0.0		$0		$3,020,999

TABLE L. WORKFORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G.

	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
Job Category	**Current Year FTEs**	**Average Salary per FTE**	**Current Year Total Cost**	**FTEs**	**Average Salary per FTE**	**Total Cost** *(should be consistent with projections in Table G, if submitted).*	**FTEs**	**Average Salary per FTE**	**Total Cost**	**FTEs**	**Total Cost** *(should be consistent with projections in Table G)*
1. Regular Employees											
Administration *(List general categories, add rows if needed)*											
BOS/BOM	1.0	$57,581	$57,581	0.0							
Billing	1.0	$52,563	$52,563	1.0	$53,165	$53,165			$0	1.0	$57,581
BOS	2.0	$69,220	$69,220	1.5	$103,830	$103,830			$0	2.0	$105,728
Administrator	1.0	$117,653	$117,653	0.0					$0	3.5	$173,050
Clinical Coordinator	1.0	$77,987	$77,987	1.0	$90,000	$90,000			$0	1.0	$117,653
Total Administration	6.0		$375,004	3.5		$246,995			$0	2.0	$167,987
Direct Care Staff *(List general categories, add rows if needed)*										9.6	$621,999
RN	0.6	$68,171	$68,171	1.0	$68,952	$68,952				1.6	$137,123
RN	0.8	$78,145	$78,145						$0	0.8	$78,145
RN	1.0	$71,318	$71,318	1.0	$72,134	$72,134				2.0	$143,452
RN	0.6	$47,060	$47,060	1.0	$47,599	$47,599				1.6	$94,659
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RN	0.6	$42,692	$42,692	1.0	$70,720	$70,720				1.6	$113,412
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Technician	1.0	$63,750	$63,750	1.0	$64,480	$64,480				2.0	$128,230
Technician	0.6	$33,561	$33,561	1.0	$40,000	$40,000				1.6	$73,561
Technician	0.4	$21,880	$21,880							0.4	$21,880
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Tec	0.8	$36,917	$36,917	1.0	$46,146	$46,146				1.8	$83,063
RN	0.5	$39,547	$39,547							0.5	$39,547
RN	1.0	$74,032	$74,032	1.0	$74,032	$74,032			$0	2.0	$148,064
Total Direct Care	14.9		$1,073,197	15.0		$978,137			$0	29.9	$2,051,334
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Medical Assistant	1.0	$28,790	$28,790	1.0	$29,120	$29,120				2.0	$57,910
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Medical Assistant				1.0	$37,500	$37,500				1.0	$37,500
Total Support	4.2		$142,059	6.0		$205,606			$0	10.2	$347,665
REGULAR EMPLOYEES TOTAL	25.1		$1,590,260	24.5		$1,430,738			$0	49.6	$3,020,999
2. Contractual Employees											
Administration *(List general categories, add rows if needed)*											
Clinical Coordinator			$87,360	1.0		$87,360			$0	1.0	$174,720
Clinical Coordinator OR			$0	1.0		$87,360			$0	1.0	$87,360
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
Total Administration			$0			$0			$0	0.0	$0
Direct Care Staff *(List general categories, add rows if needed)*											
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
Total Direct Care Staff			$0			$0			$0	0.0	$0
Support Staff *(List general categories, add rows if needed)*											
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0						$0	0.0	$0
Total Support Staff			$0			$0			$0	0.0	$0
CONTRACTUAL EMPLOYEES TOTAL			$0						$0	0.0	$0
Benefits *(State method of calculating benefits below):*											
TOTAL COST	25.1		$1,049,383	24.5		$1,430,738	0.0		$0		$3,020,999

C. 10.24.01.08G(3)(c) : Availability of More Cost-Effective Alternatives

1. Availability of More Cost Effective Alternatives.....41

10.24.01.08G(3)(c). Availability of More Cost-Effective Alternatives.

The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

INSTRUCTIONS: Please describe the planning process that was used to develop the proposed project. This should include a full explanation of the primary goals or objectives of the project or the problem(s) being addressed by the project. It should also identify the alternative approaches to achieving those goals or objectives or solving those problem(s) that were considered during the project planning process, including the alternative of the services being provided by existing facilities.

For all alternative approaches, provide information on the level of effectiveness in goal or objective achievement or problem resolution that each alternative would be likely to achieve and the costs of each alternative. The cost analysis should go beyond development cost to consider life cycle costs of project alternatives. This narrative should clearly convey the analytical findings and reasoning that supported the project choices made. It should demonstrate why the proposed project provides the most effective goal and objective achievement or the most effective solution to the identified problem(s) for the level of cost required to implement the project, when compared to the effectiveness and cost of alternatives including the alternative of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

Primary Goals and Objectives: Achieve the most cost efficient process for addition of two Operating rooms and one procedure room to expand the PSCF facility.

Increased space for projected surgical procedures and provision of continual growth to meet the community surgical needs.

Provide appropriate space for supplies, sterile processing, waiting and patient comfort, preoperative and post operative care expansion. Current facility is space deficient and prohibits anticipated growth.

Housing for Business Office Staff: Currently the business office team is off site in a rental space. The goal is to bring them into the main campus to aide in more cost effective and efficient business office and surgical operations. This Lease money will then be applied to new lease of main facility to offset costs while keeping all staff within the same facility.

Supply chain space is increasing inefficient, but effective and space deficient. The goal is to expand this space to support inventory needed for operations in one area appropriate for receiving, storing and stocking of clean and sterile supplies. This will improve efficiency and decrease costs.

Provide ample room for in house storage of linens and biohazardous waste. Currently dirty

Items are stored in secure external storage units available to vendors for pickup. The goal is to move this type of storage inside the structure to prevent staff from being exposed to weather and outdoor elements for improved security.

Alternative Approaches and Solutions:

Local facilities have expressed their volume is high. The only alternative would be to utilize Frederick Surgical Center, which is affiliated with FMH. This would not be a viable option due to the fact the surgeons do not have, nor request privileges at this facility and the projected case loads for PSCF would likely over burden this facility and place PSCF in the same situation it is in now with scheduling and space limitation.

FSC annual caseload for 2020 as reported on MHCC website was: 6084 for four OR's and four Procedure rooms resulting in 760 cases per room per year. The centers case volume could not absorb PSCF projected case volumes within reasonable working hours. This would result in late hours and possible weekend procedures not well accepted by patient and surgeons due to the requirement to be fasting for long hours and loss of a day of recovery and time off work if performed on weekends. This space would require leasing costs (space, staffing etc. and limited OR time) and inconvenience along with decreased efficiency rendering it a non-viable more cost effective alternative.

Thomas Johnson Surgery Center caseload for 2020 was 1915 for two ORs resulting in 957 cases per room. This too would be insufficient in absorbing PSCF projected case volumes within reasonable working hours and too is not a viable cost effective alternative.

Consider relocating to another site within Frederick City was considered, but the cost of building four operating rooms and two procedure rooms in a leased space, moving into the site and staffing impact was determined to be too costly and not viable at this time. It was deemed most cost effective to lease space from the current landlord resulting in the need to build only two additional Operating Rooms and one Procedure room and renovate/update current space.

With the current land and shell space will be available to PSCF for lease, and the projected expansion of the physical structure paid by the landlord, PSCF can lease at same amount per square foot if approved to build two OR's and one additional Procedure room. The internal construction can take place without interruption of services in the original facility until cost saving renovations proceed in the original space. This will be carefully coordinated with the approval to commence cases in the new space. This will result in continued revenue, patient care and workforce stability upon approval of the CON process and OHCQ permission to proceed with cases. PSCF has determined the most appropriate and cost effective action will be to plan internal construction in the newly constructed shell to be leased once landlord has completed construction as projected in this application.

The Landlord, separate and apart from Physicians Surgery Center of Frederick, plans to build a shell of additional space for lease. PSCF believes it is an opportunity to lease class A space, add/build two operating rooms and one procedure room as case volume growth continues and space becomes more in demand. It enables the facility to grow in place and avoid the potential for costly relocation. It will eliminate the need to lease class A space elsewhere at a higher rate, and build four operating rooms/two procedure rooms instead of the two proposed in the additional space to be leased. It will contain costs by avoiding a major physical move in a similar location within Frederick. The shell space planned by the landlord is sufficient to build the proposed project without moving or closing for a significant amount of time, and will only

need to build two operating rooms, one procedure room then renovate the current space. This will keep the costs down, minimize disruption, and eliminate the need to relocate or lay staff off temporarily. It offers an opportunity to support growth and provide sufficient space for all staff in one location improving morale and patient satisfaction (this will eliminate the lease of the current extra business office space). All of this can be accomplished with the current lease which will be adjusted to account for additional square feet. We feel is our obligation to the community we serve to provide a cost effective and well-designed expansion to meet their surgical needs and improve access in the safest and most cost efficient manner. It is PSCF's hope the MHCC will agree this is the most practical approach and will consider its approval.

The average cost of leasing alternate space in the Frederick City location varies, but current lease of $32/sf remains feasible with increasing case volume.

See attachment H-1

D. 10.24.01.08G(3)(d): Viability of the Proposal

1. Viability of the Proposal.....45

a. Table 3 Revenues and Expenses Entire Facility.....46
b. Table 4 Revenues and Expenses Proposed Project.....49
c. Table L.....49a

10.24.01.08G(3)(d). Viability of the Proposal.

The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

INSTRUCTIONS: Please provide a complete description of the funding plan for the project, documenting the availability of equity, grant(s), or philanthropic sources of funds and demonstrating, to the extent possible, the ability of the applicant to obtain the debt financing proposed. Describe the alternative financing mechanisms considered in project planning and provide an explanation of why the proposed mix of funding sources was chosen.

- Complete Tables 3 and/or 4 below, as applicable. Attach additional pages as necessary detailing assumptions with respect to each revenue and expense line item.

- Complete Table L (Workforce) from the Hospital CON Application Table Package. Refer to section D

- Entities and parent companies to demonstrate the financial condition of the entities involved and the availability of the equity contribution. If audited financial statements are not available for the entity or individuals that will provide the equity contribution, submit documentation of the financial condition of the entities and/or individuals providing the funds and the availability of such funds. Acceptable documentation is a letter signed by an independent Certified Public Accountant. Such letter shall detail the financial information considered by the CPA in reaching the conclusion that adequate funds are available.

  PSCF does not have access to audited financial statements. However, upon inquire with MHCC, it was suggested the PSCF tax returns and financial reports for 2019-2020 be presented for review:

  See attachment H-1 a and b: PSCF 2019 and 2020 Tax Returns
  See attachment I-1 a and b: Profit and loss statements for 2019 and 2020

- The Landlord Andochick Properties is separate and apart from PSCF.

  As requested, A cost sharing agreement is attached:

  Property owner is responsible for shell construction costs only and will lease space to PSCF if application is approved.

  See attachment J-1: Cost sharing Agreement

  Andochick Properties LLC 2019 and 2020 tax returns are attached

  See attachment K-1 a and b:

- If debt financing is required and/or grants or fund raising is proposed, detail the experience of the entities and/or individuals involved in obtaining such financing and grants and in raising funds for similar projects. If grant funding is proposed, identify the grant that has been or will be pursued and document the eligibility of the proposed project for the grant.

  See attachment E-1: See attached Letter from proposed Lender to move forward when CON is approved.

- Describe and document relevant community support for the proposed project.

  Community supports is evident in strong case volume increases, primary care provider referrals to affiliated surgeons and accelerating patient demand for surgical services and entry into total Joint Replacement Program with option for Robotic assisted procedures. There is strong support from a variety of entities as previously address having a facility in the community that supports charitable care which is also available to staff as needed and approved.

- Identify the performance requirements applicable to the proposed project (see question 12, "Project Schedule") and explain how the applicant will be able to implement the project in compliance with those performance requirements. Explain the process for completing the project design, obtaining State and local land use, environmental, and design approvals, contracting and obligating the funds within the prescribed time frame. Describe the construction process or refer to a description elsewhere in the application that demonstrates that the project can be completed within the applicable time frame(s).

  Refer to Part I, section 12: Project Schedule subject to change due to unforeseen variables that may result in delay or acceleration of completion.

TABLE 3: <u>REVENUES AND EXPENSES - ENTIRE FACILITY</u> (including proposed project)

(INSTRUCTION: ALL EXISTING FACILITY APPLICANTS MUST SUBMIT AUDITED FINANCIAL STATEMENTS): See attached tax returns for 2019-2020 and P&L statement for 2019 -2020: Attachment H-1a , H1-b, I-1a, I-1b

TABLE 3	Actual two most ended recent years		Current Year Projected	Projected Years (ending with first full year at full utilization)			
	2019	2020	2021	2022	2023	2024	2025
a. Inpatient services							
b. Outpatient services	4,506,517	4,170,269	6,051,543	6,943,000	7,955,000	9,080,625	10,065,000
c. Gross Patient Service Revenue	4,506,517	4,170,269	6,051,543	6,943,000	7,955,000	9,080,625	10,065,000
d. Allowance for Bad Debt							
e. Contractual Allowance							
f. Charity Care							
g. Net Patient Services Revenue	4,506,517	4,170,269	6,051,543	6,943,000	7,955,000	9,080,625	10,065,000

h. Other Operating Revenues	20,796	11,785	15,000	15,000	15,000	15,000	15,000
i. Net Operating Revenue	4,527,313	4,182,054	6,066,543	6,958,000	7,970,000	9,095,625	10,080,000
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	1,251,755	1,299,693	1,815,463	2,082,900	2,386,500	2,724,188	3,019,500
b. Contractual Services							
c. Interest on Current Debt	20,295	17,217	15,003	10,030	5,013	1,610	815
d. Interest on Project Debt	0	0			42,000	41,000	36,000
e. Current Depreciation	117,802	278,758	150,000	100,000	75,000	50,000	50,000
f. Project Depreciation					351,000	251,000	126,000
g. Current Amortization	30,958	13,922	13,900	13,900	13,900	13,900	13,900
h. Project Amortization							
i. Supplies	1,728,824	1,775,345	2,420,617	2,777,200	3,182,000	3,632,250	4,026,000
j. Other Expenses (Facility Exp)	372,885	378,331	392,356	399,806	705,400	719,400	742,500
j. Other Expenses (Administrative)	282,260	254,314	363,093	416,580	477,300	544,838	603,900
j. Other Expenses (Misc)	634	126					
k. Total Operating Expenses	3,805,413	4,017,706	5,170,432	5,800,416	7,238,113	7,978,185	8,618,615
a. Income from Operation	721,900	164,348	896,111	1,157,584	731,887	1,117,440	1,461,385
b. Non-Operating Income	0	454,671					
c. Subtotal	721,900	619,019	896,111	1,157,584	731,887	1,117,440	1,461,385
d. Income Taxes		50,700	71,689	92,607	58,551	89,395	116,911
e. Net Income (Loss)	721,900	568,319	824,422	1,064,977	673,336	1,028,045	1,344,474

Table 3 Cont.	Two Most Actual Ended years/Current Year (Ending with first full year at full utilization)						
CY or FY (Circle)	2019	2020	2021	2022	2023	2024	2025
4. Patient Mix: A. Percent of Total Revenue							
1. Medicare	17	15	14	16	18	17	18
2. Medicaid	2	3	5	6	8	8	9
3. Blue Cross	24	23	23	24	23	23	22
4. Commercial Insurance	31	30	24	26	27	26	25
5. Self-Pay	12	16	14	16	16	16	15
6. Other (Specify)							
Government Programs: Tricare	2	7	3	6	6	6	6
WC/Auto	12	6	17	6	4	5	5

7. TOTAL	100%	100%	100%	100%	100%	100%	100%
B. Percent of Patient Days/Visits/Procedures (as applicable)							
1. Medicare	35	33	33	36	37	36	37
2. Medicaid	5	6	8	10	10	10	11
3. Blue Cross	27	30	26	27	27	25	23
4. Commercial Insurance	23	24	27	22	21	20	20
5. Self-Pay	1	1	1	2	2	2	1
6. Other (Specify)							
Government Programs: Tricare	2	2	4	3	2	4	4
WC/Auto	7	5	2	3	2	3	4
7. TOTAL	100%	100%	100%	100%	100%	100%	100%

TABLE 4: REVENUES AND EXPENSES - PROPOSED PROJECT

(INSTRUCTION: Each applicant should complete this table for the proposed project only)

TABLE 4	Projected Years (Ending with first full year at full utilization)			
CY or FY (Circle)	2023	2024	2025	2026
1. Revenues				
a. Inpatient Services				
b. Outpatient Services	1,903,457	3,029,082	4,013,457	4,816,148
c. Gross Patient Services Revenue	1,903,457	3,029,082	4,013,457	4,816,148
d. Allowance for Bad Debt				
e. Contractual Allowance				
f. Charity Care				
g. Net Patient Care Service Revenues	1,903,457	3,029,082	4,013,457	4,816,148
h. Total Net Operating Revenue	1,903,457	3,029,082	4,013,457	4,816,148
2. Expenses				
a. Salaries, Wages, and Professional Fees, (including fringe benefits)	475,864	757,271	1,003,364	1,204,037
b. Contractual Services				
c. Interest on Current Debt				
d. Interest on Project Debt	42,000	41,000	36,000	30,000
e. Current Depreciation				
f. Project Depreciation	351,000	251,000	126,000	50,000
g. Current Amortization				
h. Project Amortization				
i. Supplies	666,210	1,060,179	1,404,710	1,685,652
j. Other Expenses (Facility)	447,400	461,400	484,500	506,303
j. Other Expenses (Admin)	85,656	136,309	180,606	216,727
j. Other Expenses (Misc)				
k. Total Operating Expenses	2,068,130	2,707,158	3,235,180	3,692,718
3. Income				
a. Income from Operation	-164,673	321,924	778,277	1,123,430

*2.2M @4.5% 20)

Table 4 Cont.	Projected Years (Ending with first full year at full utilization)			
CY or FY (Circle)	2023	2024	2025	2026
b. Non-Operating Income	15,000	15,000	15,000	15,000

c. Subtotal	-149,673	336,924	793,277	1,138,430
d. Income Taxes		26,954	63,462	91,074
e. Net Income (Loss)	-149,673	309,970	729,815	1,047,356

Table 4 Cont.			
Projected Years ending with first full year at full Utilization			
CY or FY (Circle)	2023	2024	2025
1. Medicare	18	17	18
2. Medicaid	8	8	9
3. Blue Cross	23	23	22
4. Commercial Insurance	27	26	25
5. Self-Pay	16	16	15
6. Other (Specify)			
Government Programs: Tricare	6	6	6
WC/Auto	4	5	5
7. TOTAL	100%	100%	100%
1. Medicare	37	36	37
2. Medicaid	10	10	11
3. Blue Cross	27	25	23
4. Commercial Insurance	21	20	20
5. Self-Pay	2	2	1
6. Other (Specify)			
Government Programs: Tricare	2	4	4
WC/Auto	2	3	4
7. TOTAL	100%	100%	100%

TABLE L. WORKFORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G.

	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
Job Category	**Current Year FTEs**	**Average Salary per FTE**	**Current Year Total Cost**	**FTEs**	**Average Salary per FTE**	**Total Cost** *(should be consistent with projections in Table G, if submitted).*	**FTEs**	**Average Salary per FTE**	**Total Cost**	**FTEs**	**Total Cost** *(should be consistent with projections in Table G)*
1. Regular Employees											
Administration *(List general categories, add rows if needed)*											
BOS/BOM	1.0	$57,581	$57,581	0.0					$0	1.0	$57,581
Billing	1.0	$52,563	$52,563	1.0	$53,165	$53,165			$0	2.0	$105,728
BOS	2.0	$69,220	$69,220	1.5	$103,830	$103,830			$0	3.5	$173,050
Administrator	1.0	$117,653	$117,653	0.0					$0	1.0	$117,653
Clinical Coordinator	1.0	$77,987	$77,987	1.0	$90,000	$90,000				2.0	$167,987
Total Administration	6.0		$375,004	3.5		$246,995			$0	9.5	$621,999
Direct Care Staff *(List general categories, add rows if needed)*											
RN	0.6	$68,171	$68,171	1.0	$68,952	$68,952				1.6	$137,123
RN	0.8	$78,145	$78,145						$0	0.8	$78,145
RN	1.0	$71,318	$71,318	1.0	$72,134	$72,134				2.0	$143,452
RN	0.6	$47,060	$47,060	1.0	$47,599	$47,599				1.6	$94,659
RN	0.6	$29,366	$29,366							0.6	$29,366
Pre-Operative Screening RN	0.8	$58,453	$58,453	1.0	$59,122	$59,122			$0	1.8	$117,575
RN	0.6	$42,692	$42,692	1.0	$70,720	$70,720				1.6	$113,412
RN	1.0	$63,750	$63,750	1.0	$64,480	$64,480				2.0	$128,230
RN	1.0	$86,371	$86,371	1.0	$87,360	$87,360				2.0	$173,731
PRN staff total	1.0	$82,258	$82,258	1.0	$83,200	$83,200				2.0	$165,458
RN	1.0	$86,371	$86,371	1.0	$87,360	$87,360				2.0	$173,731
Technician	0.8	$42,569	$42,569	1.0	$53,820	$53,820				1.8	$96,389
Technician	1.0	$63,750	$63,750	1.0	$64,480	$64,480				2.0	$128,230
Technician	0.6	$33,561	$33,561	1.0	$40,000	$40,000				1.6	$73,561
Technician	0.4	$21,880	$21,880							0.4	$21,880
Technician	0.8	$46,986	$46,986	1.0	$58,733	$58,733				1.8	$105,719
Tec|	0.8	$36,917	$36,917	1.0	$46,146	$46,146				1.8	$83,063
RN	0.5	$39,547	$39,547							0.5	$39,547
RN	1.0	$74,032	$74,032	1.0	$74,032	$74,032			$0	2.0	$148,064
Total Direct Care	12.9		$1,073,157	16.0		$978,137			$0	29.9	$2,051,334
Support Staff *(List general categories, add rows if needed)*											
SPD Technician	1.0	$44,049	$44,049	1.0	$44,554	$44,554			$0	2.0	$88,603
Medical Assistant	0.2	$5,758	$5,758	2.0	$58,240	$58,240				2.2	$63,998
Medical Assistant	1.0	$35,782	$35,782	1.0	$36,192	$36,192				2.0	$71,974
Medical Assistant	1.0	$28,790	$28,790	1.0	$29,120	$29,120				2.0	$57,910
COVID 19 Screening	1.0	$27,680	$27,680							1.0	$27,680
Medical Assistant				1.0	$37,500	$37,500				1.0	$37,500
Total Support	4.2		$142,059	6.0		$205,606			$0	10.2	$347,665
REGULAR EMPLOYEES TOTAL	25.1		$1,590,260	24.5		$1,430,738			$0	49.6	$3,020,999
2. Contractual Employees											
Administration *(List general categories, add rows if needed)*											
Clinical Coordinator			$87,360	1.0		$87,360			$0	1.0	$174,720
Clinical Coordinator OR			$0	1.0		$87,360			$0	1.0	$87,360
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
Total Administration			$0			$0			$0	0.0	$0
Direct Care Staff *(List general categories, add rows if needed)*											
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
Total Direct Care Staff			$0			$0			$0	0.0	$0
Support Staff *(List general categories, add rows if needed)*											
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0			$0			$0	0.0	$0
			$0						$0	0.0	$0
Total Support Staff			$0			$0			$0	0.0	$0
CONTRACTUAL EMPLOYEES TOTAL			$0						$0	0.0	$0
Benefits *(State method of calculating benefits below):*											
TOTAL COST	25.1		$1,049,383	24.5		$1,430,738	0.0		$0		$3,020,999

E. 10.24.01.08G(3)(e): Compliance with Conditions of Previous Certificates of Need

1. Compliance with Conditions of Previous Certificates of Need.....51

10.24.01.08G(3)(e). Compliance with Conditions of Previous Certificates of Need.

An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

INSTRUCTIONS: List all of the Maryland Certificates of Need that have been issued to the project applicant, its parent, or its affiliates or subsidiaries over the prior 15 years, including their terms and conditions, and any changes to approved Certificates that needed to be obtained. Document that these projects were or are being implemented in compliance with all of their terms and conditions or explain why this was not the case.

See attachment: L-1 Certificate of Need Letter re Docket Number 09-10-2302

The MHCC issued a certificate on June 17, 2010 without any conditions or terms. Physicians Surgery Center of Frederick (PSCF) implemented the second operating room without any issues and in compliance with the terms of the certificate when it was issued in 2010. PSCF has complied with this criterion.

F. 10.24.01G(3)(f): Impact on Existing Providers and the Health Care Delivery System.

1. Impact on Existing Providers and the Health Care Delivery System.....52

10.24.01.08G(3)(f). Impact on Existing Providers and the Health Care Delivery System.

An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

INSTRUCTIONS: Please provide an analysis of the impact of the proposed project. Please assure that all sources of information used in the impact analysis are identified and identify all the assumptions made in the impact analysis with respect to demand for services, payer mix, access to service and cost to the health care delivery system including relevant populations considered in the analysis, and changes in market share, with information that supports the validity of these assumptions. Provide an analysis of the following impacts:

a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;

b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer.

c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);

d) On costs to the health care delivery system.

If the applicant is an existing facility or program, provide a summary description of the impact of the proposed project on the applicant's costs and charges, consistent with the information provided in the Project Budget, the projections of revenues and expenses, and the work force information.

The surgeons that bring case volume to PSCF primarily work at PSCF and FHH. One surgeon works at Meritus and one works at an ASC in WV. The draw from these two facilities will be minimal or non-existent and the impact will be negligible.

The cases that each surgeon will bring to PSCF will be outpatient candidates only. The main increase in cases moved from FHH will be total shoulders, total knee replacements as approved by Medicare in 2021 that are suitable candidates of good health, have appropriate support systems, and access to outpatient services upon discharge will be moved to PSCF. Total Hip replacements are planned for the current and new space and will add to the case volume moved to PSCF if the patient is an appropriate candidate. This will not account for a large number of patients and therefore the impact to FHH will be minimal.

All cases performed by PSCF surgeons are out patient candidates only and would have originally been scheduled at PSCF and not the FHH unless patient is limited by comorbidities. Those cases will actually be sent to the FHH adding to its case volume.

PSCF surgeons out patient volume has increased year over year, and with COVID waning, volume is significantly increased and as society re-opens and sports resume, that caseload is expected to grow even more. A certain percentage of these patients will be sent to FHH, adding more volume to their facility. The addition of of outpatient appropriate total joint replacement procedures has continually increased, and has resulted in a very successful program with a high level of patient satisfaction and positive outcomes. PSCF projects to experience an increase in the number of joint replacements from FHH by 2025 around 200 per year and other cases are negligible, as the surgeons will continue to contribute to FHH as their preferred facility when a patient is not a candidate for the outpatient setting. Thus, the impact to local facilities is negligible and all services remain within the Frederick Community to insure continued accessibility.

The cases that are turned away due to lack of OR time are typically re-scheduled on another day (inconvenient for patient and surgeon), if appropriate placed in the Procedure room, or in the Operating Room late in the day (weekends have been considered as volume grows, but is not ideal). If a surgeon cannot add a case to the schedule due to lack of space they are often sent to the FHH. Those cases in addition to some total joint cases will be the main ones affecting the FHH. PSCF will add some cases to FHH case volume and draw some total joint cases away. That can be considered up to 200-400 cases per year that can be performed in the outpatient setting. FHH encourages outpatient cases be placed in outpatient settings. Therefore, the impact will be positive for FHH. PSCF strives to accommodate all out patient cases as revealed in increase of early starts and late days in addition to consideration of weekend scheduling if needed.

Due to the fact the PSCF surgeons do not provide services at surrounding ASC's, the impact on those facilities will also be negligible. None of the patients will be sent outside the community unless medically necessary. The goal is to improve accessibility to surgical services for all in the community PSCF serves in an updated, expanded state of the art quality facility.

OR's at FHH	9
Full Capacity in one OR per year	142,500 minutes
Total Capacity	1,282,500
Number of cases drawn from FHH/year	400
Minutes of impact on FHH	36,000 minutes (60min aver per case)
Estimated overall impact on FHH	2.8%

(this figure does not include cases sent to FHH by PSCF surgeons due to patient co-morbidities which will decrease percent of impact if it were included in projection's)	

ATTACHMENTS:

ATTACHMENT A: OWNERSHIP

ATTACHMENT B: BASIS OF DESIGN

ATTACHMENT C 1-6: FLOOR PLANS

1. EXISTING FLOOR PLAN
2. EXISTING SITE PLAN
3. EXPANSION SPACE PLAN
4. SCHEMATIC PLAN H
5. SITE CONCEPT A6
6. SCHEMATIC H

ATTACHMENT D1: Table C Construction Characteristics

ATTACHMENT D2: Table D: Onsite and Offsite Cost Included and Excluded in Marshall Valuation Costs

ATTACHMENT E: APPROVED PROCEDURE LIST

ATTACHMENT F: PROCEDURE LIST WITH CPT CODES

ATTACHMENT G: CHARGE MASTER BY SPECIALTY CODE

ATTACHMENT H: 2020 PHYSICIAN CASE COUNT TRENDING LOG BY SPECIALTY

ATTACHMENT I: CHARITY CARE POLICY

ATTACHMENT La AND b: PUBLIC NOTICE REGAERDING CHARITY CARE PROGRAM ENGLISH AND SPANISH

ATTACHMENT K: PUBLIC NOTICE OF CHARITY CARE PUBLISHED IN FREDERICK NEWS POST

ATTACHMENT M 1-3: CONFIRMATION OF PUBLISHING IN FREDERICK NEWS POST FOR 2021

ATTACHMENT N a-b: PSCF WEBSITE NOTIFICATION OF CHARITY CARE

ATTACHMENT N c: SIMPLE ADMIT PATIENT SCREENING AND PAYMENT PLATFORM NOTIFICATION OF CHARITY CARE POLICY

ATTACHMENT O: LETTER TO COMMUNITY SERVICES NOTIFICATION/REMINDER OF CHARITY CARE POLICY

ATTACHMENT P: PSCF PATIENT BROCHURE WITH NOTIFICATION OF CHARITY CARE POLICY

ATTACHMENT Q: CORRESPONDENCE WITH FREDERICK COUNTY HEALTH DEPARTMENT AND CONTACTS FOR NOTIFICATION AND REMINDER LETTERS

ATTACHMENT R: PSCF EXAMPLE BUSINESS OFFICE ASSISTANCE TO PATIENT: POTENTIAL NEED

ATTACHMENT S: CHARITY CARE BENCHMARK FOR PERFORMANCE ASSESSMENT

ATTACHMENT T: SATED OF MARYLAND DEPARTMENT OHCQ LICENSE

ATTACHMENT U: AAAHC ACCREDITATION LETTER

ATTACHMENT Va: NOTICE OF COMPLIANCE WITH HEALTH COMPONENT REQUIREMENTS

ATTACHMENT Vb: ACCEPTABLE LIFE SAFETY CODE PLAN OF CORRECTION

ATTACHMENT W: TRANSFER AGREEMENT

ATTACHMENT X: EMERGENCY TRANSFER POLICY

ATTACHMENT Y: SERVICE AREA SUPPORTING DOCUMENTS

ATTACHMENT Z: MEDARCH DESIGN PROJECT LETTER 2035.01 SEALED

ATTACHMENT A-1: MARYLAND DEPARTMENT OF ENVIRONMENT RADIATION REGISTRATION

ATTACHMENT B-1: CLIA CERTIFICATE OF WAIVER

ATTACHMENT C-1a: CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE

ATTACHMENT C-1b: CONTROLLED DANGEROUS SUBSTANCES DISPENSE LICENSE

ATTACHMENT E-1: FREDERICK COUNTY BANK LETTERS REGARING LOANS FOR PSCF

ATTACHMENT E-1b: FREDERICK COUNTY BANK FINANCING PROPOSAL FOR LANDLORD

ATTACHMENT F-1: LEASE AGREEMENT EXERPT TO DEMONSTRATE PRICE PER SQUARE FOOT

ATTACHMENT G-1: CONSTRUCTION CHARACTERISTICS

ATTACHMENT H-1: FREDERICK OFFICE RENT PRICES AND SALES REPORT FOR 2020

ATTACHMENT H-1a: PSCF 2019 TAX RETURNS

ATTACHMENT H-1b: PSCF 2020 TAX RETURNS

ATTACHMENT I-1a: PSCF PROFIT AND LOSS STATEMENT 2019

ATTACHMENT I-1b: PSCF PROFIT AND LOSS STATEMENT 2020

ATTACHMENT J-1: COST SHARING AGREEMENT

ATTACHMENT K-1a: Landlord: ANDOCHICK PROPERTIES 2019 PARTNERSHIP TAX RETURNS

ATTACHMENT K-1b: Landlord: ANDOCHICK PROPERTIES 2020 PARTNERSHIP TAX RETURNS

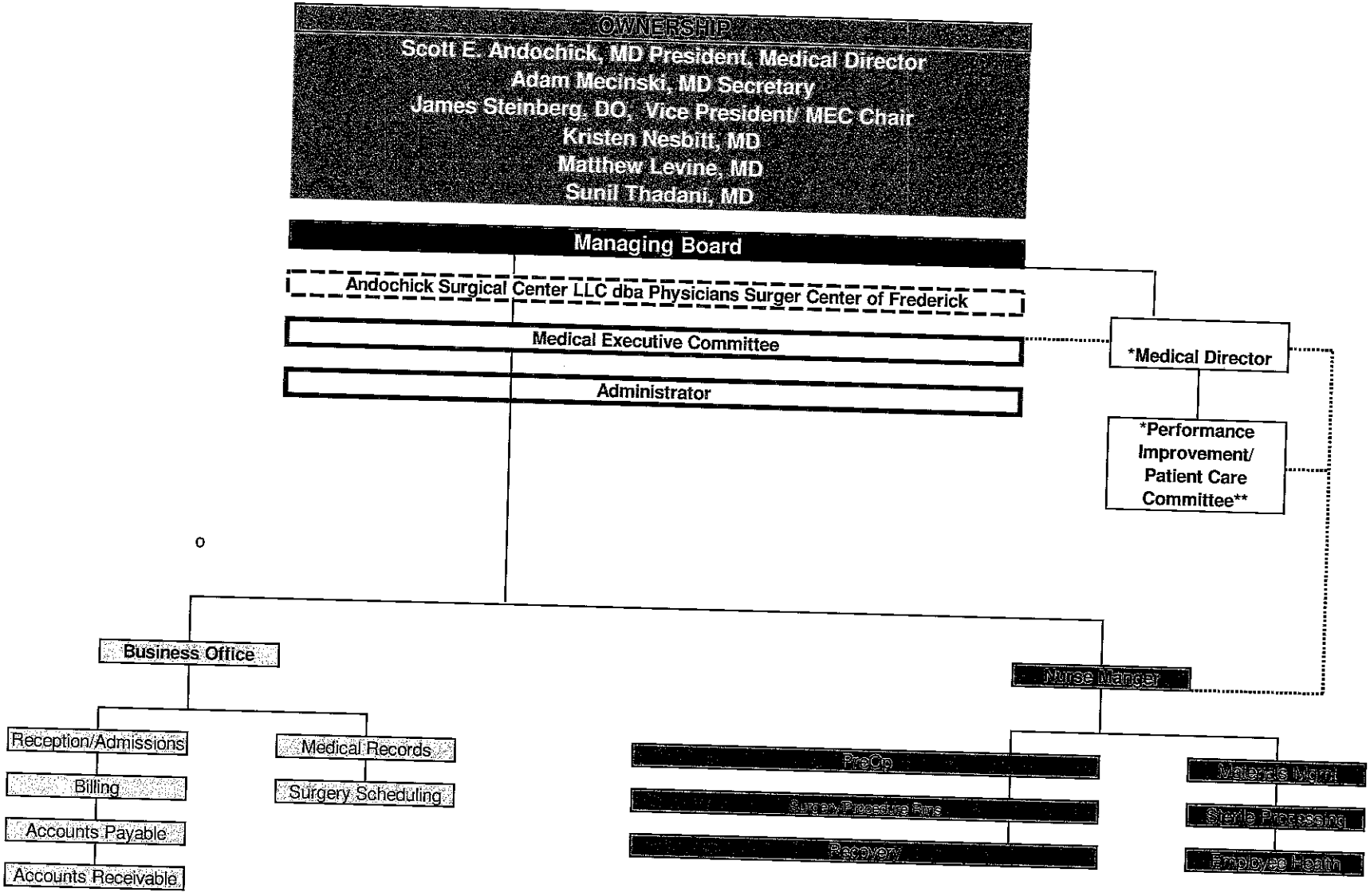
ATTACHMENT L-1: CERTIFICATE OF NEED LETTER JUNE 17, 2010: DOCKET No. 09-10-2302

Attachment A

A. Master List: Ownership or Control interest of entity of 5% or greater

Name of individual or entity	Title	DOB	Address	Percent Ownership
Scott E. Andochick, MD	President, Medical Director	08/07/1958	11532 Lake Potomac Drive, Potomac, MD 20854	25.65
James Steinberg, DO	Partner, MEC Chair	01/25/1968	14707 Poplar Hill Road, Darnestown, MD 20874	23.50
Kristin Nesbitt Silon, MD	Partner	03/31/1972	5451 S. Renn Road, Frederick, MD 21703	23.50
Adam Mecinski, MD	Partner	01/07/1967	5950 River Ridge Road, Frederick, MD 21704	11.14
Sunil Thadani, MD	Partner	11/25/1973	10018 Woodhill Road, Bethesda, MD 20817	11.20
Matthew Levine, MD	Partner	05/03/1972	2046 Rockingham Street, McLean, VA 22101	5.0

OWNERSHIP



* *Includes Medical Staff Oversight and Peer Review*

** See Tab: Patient Care Committee (PCC)

BASIS OF DESIGN:
This request for approval involves the expansion of the Physicians Surgery Center of Frederick, Maryland with the addition of two Class "C" Surgical Operating Rooms and a Class "A" Procedure Room. The expansion is proposed at 11,222 square feet and is a single-story structure. The expanded Sterile Surgery Center area is congruent to the existing Surgery Center area to achieve a continuous Surgery Area. Since the expansion area is entirely dedicated to surgery operations with the perimeter walls adjacent to open side yards, a one-hour demising wall is not required. The expansion allows for the cleaning and sterilizations areas to be increased and expanded.
The design of the expansion is to create a "State of the Practice" Surgical Center featuring medical activities located adjacently and a facility promoting a Patient Experience for healing and wellbeing.

The anticipated schedule is to commence with construction in 10 to 12 months; the expansion build-out requires 9 to 11 months followed by installation of furnishings, equipment, and site accreditation of 2 months. First Patient seen is anticipated 25 months from commencement of design.

The total anticipated project cost is as follows:

Use of Funds:

1. **Capital Costs**
   a. **New Construction**

1. Building (Shell and Interior build-out) 11,222 @ $320/sf:	$3,591,101
2. Fixed Equipment:	$50,000
3. Site and Infrastructure Improvements:	$220,000
4. Architect and Engineering Fees:	$284,500
5. Permits:	$45,000
Subtotal	$4,190,601

   b. **Renovation:**

6. Building (Shell and Interior build-out) 1,065 @ $120/sf:	$127,800
7. Architect and Engineering Fees:	$35,000
8. Permits:	$5,000
Subtotal	$167,800

Recommend a contingency of 12% on the CON

ATT.B

The Breakout of Shell to Interior is summarized below:
11,222 new square feet and 1065 renovated area is a total square footage of 12,287 Square Feet

Shell Building:			
Construction with Site improvements:	$1,892,401		
Soft Costs: Design and Permitting:	$199,000		
Site Engineering (Lee)	$(45,000) included above		
Sub Total:			**$2,091,401**
	$187/ ft		
Interior Build Out:			
Interior Build-out with Gen and HVAC:	$1,907,000		
Renovation	$130,000		
Soft Costs: Design and Permitting:	$180,000		
Sub Total			**$2,217,000**
	$180.50/ ft		
Total			**4,308,401**
Fixed Equipment (Allowance)			$50,000
Total Project:			**$4,358,401**
Land		**$375,000**	
Movable Equipment		**$300,000**	
Recommended Contingency		**$200,000**	
		$875,000	
Total Project Capital		**$5,233,401**	

Good Morning Shannon,
I ran a fresh report of the Core Logic Marshall Swift estimator. A copy is attached. Several assumptions to consider are:
The Marshall Swift program is designed for new buildings or existing buildings with small additions. In this case the addition or expansion is 1 ½ the size of the existing.

From the documents that I provided to you on June 30th the cost per square foot was derived at $180.50 for the Interior Build-out and $187.00 for the shell. These are based upon two different square footages; therefore, the shell needs to be adjusted to the larger square footage which is $170 sq/ft (2,091,401/12,287) The combined costs are $350.50 sq/ft. The Marshall Swift evaluation comes in at $354.13 sq/ft.

Total cost before contingency and land is $4,308,401. Marshall Swift values the project at $4,351,318. Add in the Generator and these two estimates are in line.

Let me know if you have comments or questions.

Scott A. Norberg AIA LEED AP
President
MedArch PLLC
23063 Meriweather Court
Ashburn, VA 20148
Direct: 703.958.1074
sanorberg@medarchdesign.com
www.medarchdesign.com

CoreLogic - SwiftEstimator
Commercial Estimator - Summary Report

General Information

Estimate ID:	2035.01 Andochick Properties	**Date Created:**	07-08-2021
Property Owner:	Andochick Properties	**Date Updated:**	07-08-2021
Property Address:	81 Thomas Johnson Court Frederick, MD 21702	**Date Calculated:**	07-08-2021
Local Multiplier:	.95	**Cost Data As Of:**	using report date
Architects Fee:	6%	**Report Date:**	07-2021

Section 1

Area	12287	**Overall Depreciation %**	
Stories in Section	1	**Physical Depreciation %**	
Stories in Building	1	**Functional Depreciation %**	
Shape	rectangular	**External Depreciation %**	
Perimeter	(auto-calc)		
Effective Age			

Occupancy Details

Occupancy	**%**	**Class**	**Height**	**Quality**
431 Outpatient Surgical Center	100	D	10	3.5
Occupancy Total Percentage	100			

System : Exterior Walls

	%/Units	**Quality**	**Depr %**	**Other**
882 Exterior Walls : Stud -Brick Veneer	100	Occ.		
Total Percent for Exterior Walls:	**100**			

System : HVAC (Heating)

	%/Units	**Quality**	**Depr %**	**Other**
613 HVAC (Heating) : Hot and Chilled Water	100	Occ.		2
Total Percent for HVAC (Heating):	**100**			

System : Land and Site

	%/Units	**Quality**	**Depr %**	**Other**
62 Land and Site : Site Improvements	220000	Occ.		

Calculation Information (All Sections)

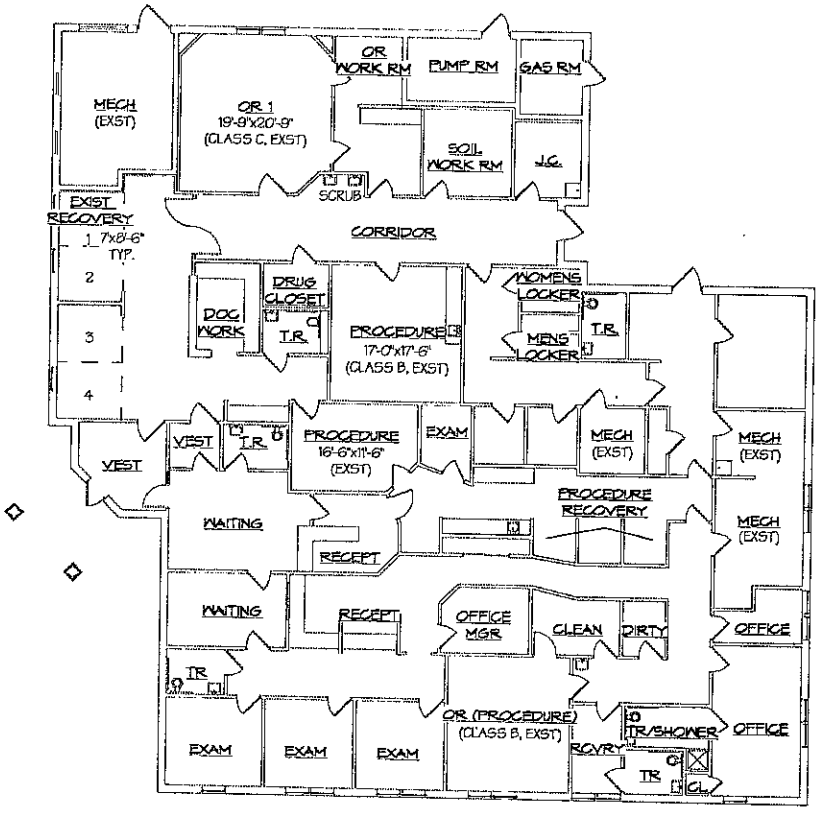
	Units	**Unit Cost**	**Total Cost New**	**Less Depreciation**	**Total Cost Depreciated**
Basic Structure					
Base Cost	12,287	$295.87	$3,635,355		$3,635,355
Exterior Walls	12,287	$28.38	$348,705		$348,705
Heating & Cooling	12,287	$29.89	$367,258		$367,258
Basic Structure Cost	**12,287**	**$354.14**	**$4,351,318**	**$0**	**$4,351,318**
Extras					
Site Improvements - Depreciated			$220,000		$220,000
Replacement Cost New	**12,287**	**$372.05**	**$4,571,318**		

Cost data by CoreLogic, Inc.

Except for items and costs listed under ◆Addition Details,◆ this SwiftEstimator report has been produced utilizing current cost data and is in compliance with the Marshall & Swift Licensed User Certificate. This report authenticates the user as a current Marshall & Swift user.

ATT.C

C1

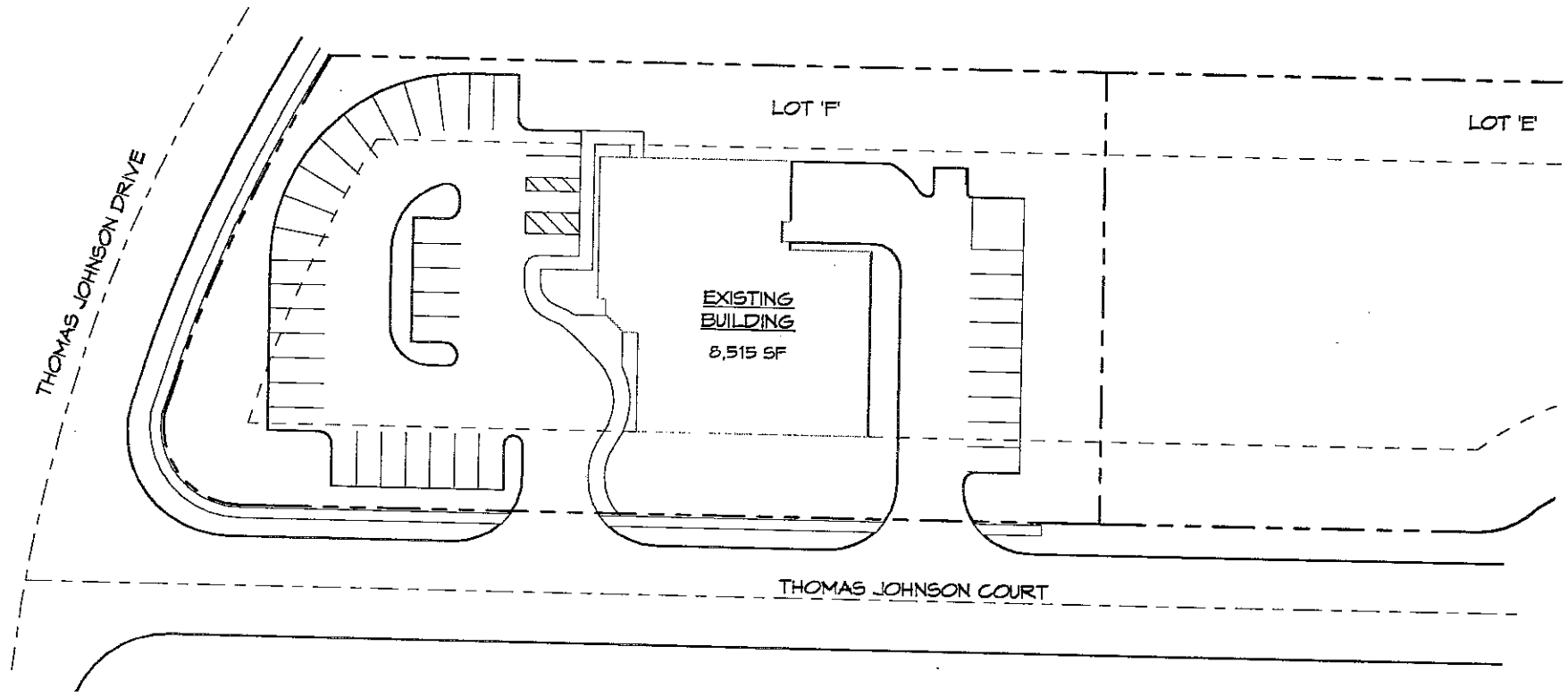


EXISTING FLOOR PLAN

0' 8' 16' 32'

PHYSICIAN'S SURGERY CENTER OF FREDERICK
81 THOMAS JOHNSON COURT

JUNE 30, 2021

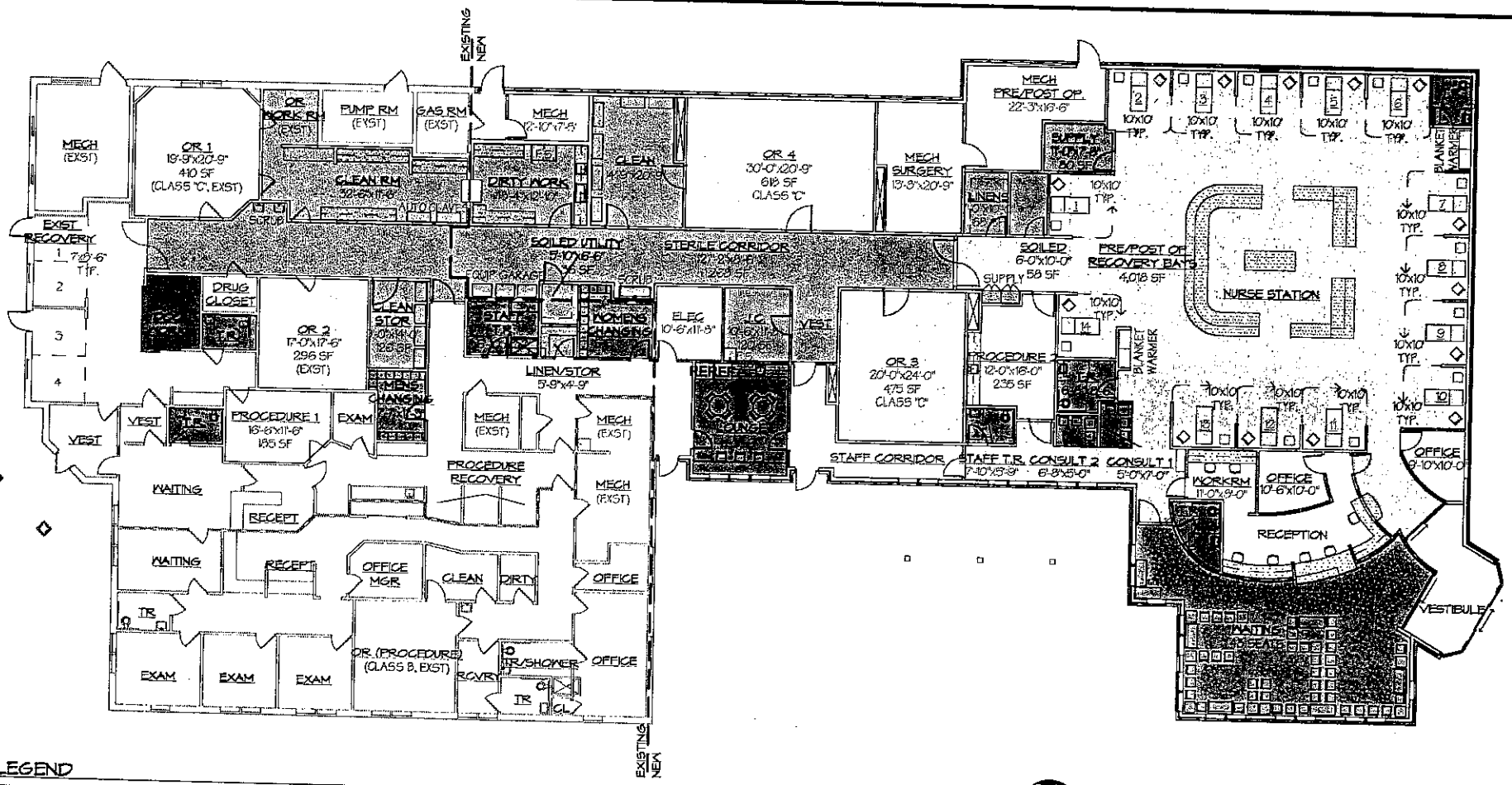


EXISTING SITE PLAN

0' 20' 40' 80'

PHYSICIAN'S SURGERY CENTER OF FREDERICK
81 THOMAS JOHNSON COURT

JUNE 30, 2021



LEGEND

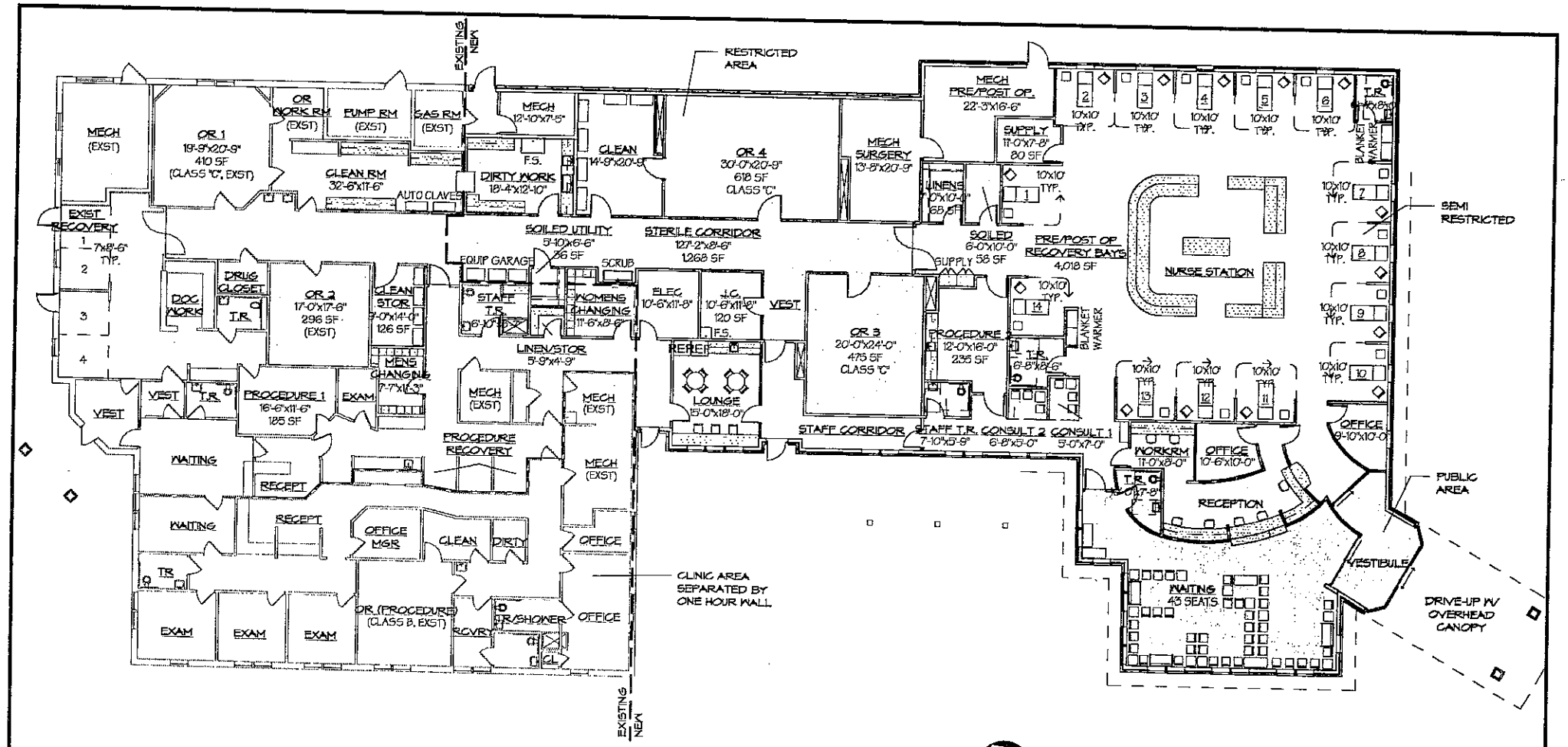
- RECOVERY AREA
- OPERATING ROOMS
- PROCEDURE ROOMS
- STERILE CORRIDOR
- SUPPLY/CLEAN ROOMS
- SOILED ROOMS/JANITOR CLOSET
- PATIENT SUPPORT AREA
- STAFF SUPPORT AREA
- WAITING
- ONE HOUR RATED WALL

EXPANSION SPACE PLAN

0' 8' 16' 32'

PHYSICIAN'S SURGERY CENTER OF FREDERICK
81 THOMAS JOHNSON COURT

JUNE 30, 2021

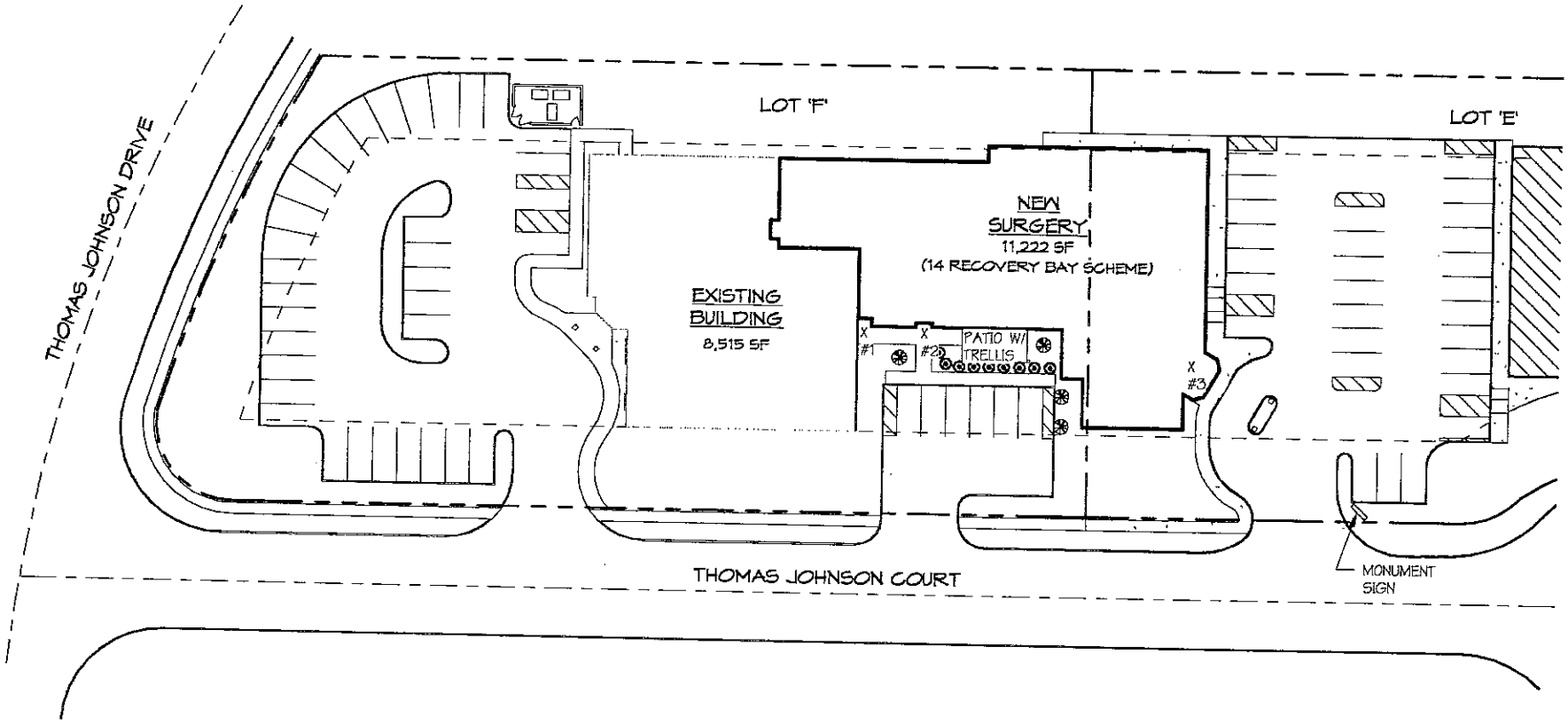


SCHEMATIC PLAN 'H'

0' 8' 16' 32'

PHYSICIAN'S SURGERY CENTER OF FREDERICK
81 THOMAS JOHNSON COURT

JUNE 30, 2021

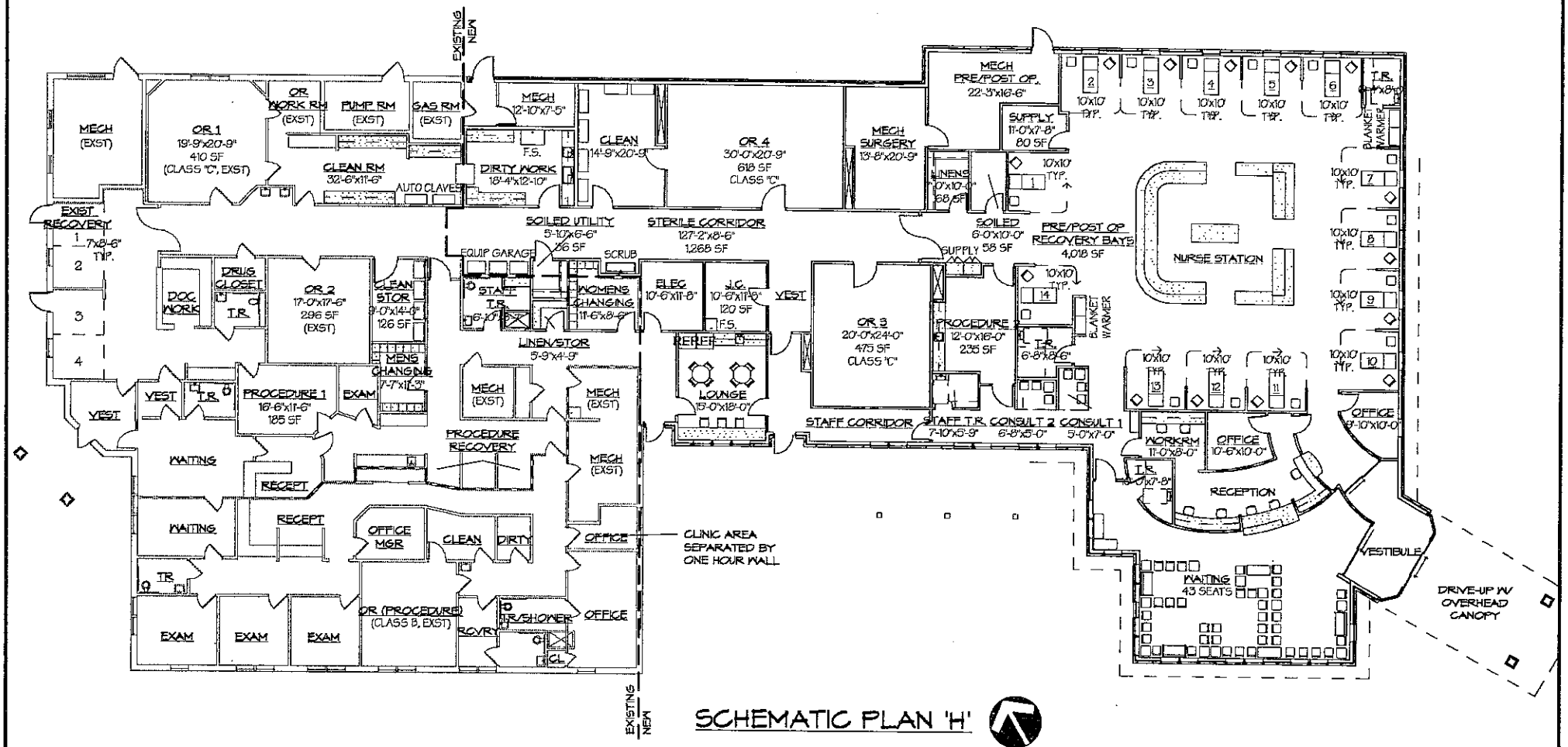


SITE CONCEPT 'A6'

0' 20' 40' 80'

PHYSICIAN'S SURGERY CENTER OF FREDERICK
81 THOMAS JOHNSON COURT

JUNE 30, 2021



PHYSICIAN'S SURGERY CENTER OF FREDERICK
81 THOMAS JOHNSON COURT

JUNE 30, 2021

TABLE C. CONSTRUCTION CHARACTERISTICS

INSTRUCTION: If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table C for each structure.

	NEW CONSTRUCTION	RENOVATION
BASE BUILDING CHARACTERISTICS	**Check if applicable**	
Class of Construction (for renovations the class of the building being renovated)*		
Class A	☐	☐
Class B	☐	☐
Class C	☐	☑
Class D	☑	☐
Type of Construction/Renovation*		
Low	☐	☐
Average	☐	☐
Good	☑	☑
Excellent	☐	☐
Number of Stories		

*As defined by Marshall Valuation Service

PROJECT SPACE	**List Number of Feet, if applicable**	
Total Square Footage	**Total Square Feet**	
Basement	0	0
First Floor	11,222	1065 of 3500sf
Second Floor	0	0
Third Floor	0	0
Fourth Floor	0	0
Average Square Feet	**11,222**	**1,065**
Perimeter in Linear Feet	**Linear Feet**	
Basement	0	0
First Floor	443'-6"	753'-3"
Second Floor	0	0
Third Floor	0	0
Fourth Floor	0	0
Total Linear Feet	**443'-6"**	**753'-3"**
Average Linear Feet	**443'-6"**	**753'-3"**
Wall Height (floor to eaves)	**Feet**	
Basement	0	0
First Floor	10'-0"	10'-0"
Second Floor		
Third Floor		
Fourth Floor		
Average Wall Height	10'-0"	**10'-0"**
OTHER COMPONENTS		
Elevators *See attached note	**List Number**	
Passenger	0	0
Freight	0	0
Sprinklers * See attached note	**Square Feet Covered**	
Wet System	0	0
Dry System	0	0
Other *See attached note	**Describe Type**	
Type of HVAC System for proposed project	* See attached notes	
Type of Exterior Walls for proposed project	* See attached notes	

ATT.D

TABLE D. ONSITE AND OFFSITE COSTS INCLUDED AND EXCLUDED IN MARSHALL VALUATION COSTS

INSTRUCTION: If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table D for each structure.

	NEW CONSTRUCTION COSTS	RENOVATION COSTS
SITE PREPARATION COSTS		
Normal Site Preparation	$40,000	
Utilities from Structure to Lot Line	$20,000	
Subtotal included in Marshall Valuation Costs	**$60,000**	
Site Demolition Costs	**$5,000**	
Storm Drains	**$20,000**	
Rough Grading	**$30,000**	
Hillside Foundation	**$0**	
Paving	**$40,000**	
Exterior Signs	**$7,500**	
Landscaping	$22,000	
Walls	$3,000	
Yard Lighting	$10,000	
Other: Storm Water Management	$22,500	
Subtotal On-Site excluded from Marshall Valuation Costs		
OFFSITE COSTS		
Roads	$0	
Utilities	$0	
Jurisdictional Hook-up Fees	$0	
Other *(Specify/add rows if needed)*	$0	
Subtotal Off-Site excluded from Marshall Valuation Costs		
TOTAL Estimated On-Site and Off-Site Costs not included in Marshall Valuation Costs	**$0**	**$0**
TOTAL Site and Off-Site Costs included and excluded from Marshall Valuation Service*	**$220,000**	

*The combined total site and offsite cost included and excluded from Marshall Valuation Service should typically equal the estimated site preparation cost reported in Application Part II, Project Budget (see Table E. Project Budget). If these numbers are not equal, please reconcile the numbers in an explanation in an attachment to the application.

TABLE E. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application.

NOTE: Inflation should only be included in the inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.d as a use of funds and on line B.8 as a source of funds.

	Hospital Building:Landlord liability	***See Attached Explanation of Budget for PSCF liability for internal build and renovation: 12287sf***	***Total***
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building	$1,684,401	$1,907,000	$3,591,401
(2) Fixed Equipment	$0	$50,000	$50,000
(3) Site and Infrastructure	$220,000	$0	$220,000
(4) Architect/Engineering Fees	$154,000	$130,500	$284,500
(5) Permits (Building, Utilities, Etc.)	$21,000	$24,000	$45,000
SUBTOTAL	$2,079,401	$2,111,500	$4,190,901
b. Renovations			
(1) Building	$0	$127,800	$127,800
(2) Fixed Equipment (not included in construction)	$0	$0	$0
(3) Architect/Engineering Fees	$0	$35,000	$35,000
(4) Permits (Building, Utilities, Etc.)	$0	$5,000	$5,000
SUBTOTAL	$0	$167,800	$167,800
c. Other Capital Costs			
(1) Movable Equipment	$0	$300,000	$300,000
(2) Contingency Allowance	$95,000	$105,000	$200,000
(3) Gross interest during construction period			$0
(4) Other *(Specify/add rows if needed)*			$0
SUBTOTAL	$95,000	$405,000	$500,000
TOTAL CURRENT CAPITAL COSTS	**$2,174,401**	**$2,684,300**	**$4,858,701**
d. *Land Purchase*	**$375,000**		**$375,000**
e. Inflation Allowance			$0
TOTAL CAPITAL COSTS	$2,549,401	$2,684,300	$5,233,701
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees			$0
b. Bond Discount			$0
c CON Application Assistance			
c1. Legal Fees			$0
c2. Other (Specify/add rows if needed)			
d. Non-CON Consulting Fees			
d1. Legal Fees			$0
d2. Other (Specify/add rows if needed)			$0
e. Debt Service Reserve Fund			$0
f Other *(Specify/add rows if needed)*			$0
SUBTOTAL	$0	$0	$0
3. Working Capital Startup Costs			$0
TOTAL USES OF FUNDS	$2,549,401	$2,684,300	$5,233,701
B. Sources of Funds			
1. Cash (PSCF-500,000/SEA 500,000)	**$500,000**	**$500,000**	$1,000,000
2. Philanthropy (to date and expected)			$0
3. Authorized Bonds			$0
4. Interest Income from bond proceeds listed in #3			$0
5. Mortgage			$0
6. Working Capital Loans (two notes up to 2.2M each over 20years at 4%	**$2,200,000**	**$2,200,000**	$4,400,000
7. Grants or Appropriations			
a. Federal			$0
b. State			$0
c. Local			$0
8. Other *(Specify/add rows if needed)*			$0
Owner Contribution of Land $375,000	**$375,000**		
TOTAL SOURCES OF FUNDS	$3,075,000	$2,700,000	$5,775,000
	Hospital Building	***Other Structure***	***Total***
Annual Lease Costs (if applicable)			
1. Land			$0
2. Building			$0
3. Major Movable Equipment			$0
4. Minor Movable Equipment			$0